

of three decades' intimate contacts with both the events and the men who either made or recorded them.

The method of presentation is largely a critical review of the four principal currents—Chinese Nationalism, Western penetration, Japanese expansion and Communist influence. With a view to encouraging study beyond the expert reader we have avoided the purely historical form as far as consistent with accuracy and clarity. We have resorted to descriptive opinions where necessary to brevity, but have avoided as much as possible that habit of opinionating upon opinions so popular in Oriental manuscripts, and which, like recurring decimals, leads to endless and fruitless repetition.

Further to aid the unpractised eye in scanning Chinese nomenclature, we have omitted aspirate signs and other phonetic helps belonging to the accepted systems of Romanization. There is, as the pure-in-heart Sinologue will observe, a vast difference between the heavy "Chang" and the lightly aspirated "Ch'ang," but in addition to the fact that few inexperienced readers would know that the first word sounds more like "jahng," we have arranged the context to avoid confusion of identity. In any case, while we court the linguists' disapproval, we look for a compensation in the gratitude of compositors and proof-readers.

O. D. R.

Similar influences developed from the visit of Yung Wing to the United States in the same decade, and generally from the moment the Manchus began to send Ministers abroad. The millions of Chinese traders overseas also enlightened their relatives and friends upon return. Their influence, however, upon political thought was negligible compared with the Ministers, and later with the higher types of returned students. Almost every one of the thousands who went abroad to study, especially those going to America under the returned Boxer Indemnity scheme after 1900, became upon return an active critic of Manchu incompetence.

More than that, they had been living in Europe and America witnessing the West's own practical application of its religious and social ideals. They had seen slums, poverty, war, the brutal suppression of workers' strikes by armed force, political corruption, intemperate and extravagant displays of riches by an idle, uncultured class. They had seen order and cleanliness, hygiene and sanitation, science and speed, increased leisure and enjoyment of the arts. But they also saw religious hypocrisy, inconsistencies, the wide gap between political and economic democracy, the class distinctions based on mere wealth instead of character and intelligence as in their own civilization, and that the West's culture and happiness were bought instead of earned. They had listened to the missionaries' condemnation of Cain because he was not "his brother's keeper," and of Pontius Pilate because he washed his hands of the crucifixion of righteousness, but had gone

to the Christian nations of the West and had seen Cain and Pilate enthroned in mills, factories, shops, in almost every business relationship, local, national and international. Where they had expected the laws of Sinai, they found the laws of the jungle, where the rich could buy justice, and the poor could hardly afford to buy bread. They had been told of the high place of womanhood—the saintliness of the Virgin Mary—in Western lands, as compared with the lowly position they held in China, but had seen in Western theatres, newspapers, public hoardings, films, the naked bodies of white women shamelessly exploited by producers, advertisers, and money-makers pandering to the morbidity of male sexual perverts. And knowing that a Chinese female torso had never been publicly exhibited in China, they wondered why a civilization like the Western, so dangerously close to raw animal instincts and behaviour, should deem itself superior, and force its standards upon the Eastern half of the world.

It was not strange, in these circumstances, that modern young Chinese should have been caught in a welter of incoherent ideas. They were attached by birth to their own civilization, but detached from it, and partly adapted to the Western, by mission education and study in Western colleges. They had to find a way back, or at least a compromise between the two. At one period, during the Warlord devastation, there were some five or six thousand of these “returned students” in Peking, waiting anxiously for appointments or for some definite lead from the government.

They were all educated, intelligent men—engineers, doctors, lawyers, educationists—badly wanted by the people. They had to stand by idly while their country worsened instead of bettered under the heels of a gang of foreign- mainly Japanese-financed military bandits.

What could be their reflections? What would anyone's have been? And yet, instead of understanding the rebellion growing in these students' minds, foreign Concession journalists laughed at their "half-baked" ideas, and taunted them with "job-hunting" and a desire to loaf at the government's expense. When these rebels—Young China and Student Movements—smashed up a Warlord's mansion, set it on fire and started ructions in the hope of bringing about, somehow, a change in things, the same journalists flared up in anger and suggested horse-whipping.

One after another the Warlords blew into Peking, and were blown out again. Following Yuan's death in 1916, no fewer than forty-five different Cabinets, backed by military Strong Men offering lip-service to democracy and the Diplomatic Corps, were formed in Peking. Sun Yat-sen, driven into exile in 1913, went back to Canton—where the rule of Western diplomacy and Warlords rarely extended—to revive his plans and party organization. Being an idealist, and somewhat dictatorial, he had enemies in the South as well as the North. The story of his fight for the Revolution would fill several books, and cannot be given justice here, but he kept re-creating an independence movement at Canton, and in the end succeeded.

The European War and the Versailles Treaty con-

tributed their effects in two ways. They showed that Western Powers, warring with one another, would no longer present a united front in Chinese affairs, and, by failing to grant reversion to China of the former German Concession at Tsingtao, the Versailles Treaty fired the country with a sense of injustice.

China had no desire to enter the Great War, but by an unwise campaign of bribery, one of those numerous Cabinets was induced to declare war, repatriate Germans and Austrians, and confiscate their property. It was in the worst possible taste and a diplomatic blunder. The Allies followed suit in the Concessions, thereby exploding the myth that "foreign lives and property" were sacred. Later, of course, it was to prove that foreigners—the Germans and others who lost their extraterritorial rights—could live and trade in China without such safeguards. Doubtless, they and the Russians who voluntarily surrendered the privileges from 1919 onwards vicariously enjoyed the protection of Concessions, where their ex-enemy Allied nationalities still enforced the system, but it was common knowledge that Germans fared better; at any rate, got into less trouble, than the others.

China had been led to expect reversion of Tsingtao, but Japan had so managed her part of the Allied war plans that she was permitted to attack the place, oust the Germans, and occupy both the Concession and railway rights into the Shantung Province. A few divisions of Chinese troops might have done the same thing, for the German garrison was barely six thousand men. Japan had long wanted Tsingtao harbour, one

of the best in China or the world, and the resources of its province, but China was unable to agree that Japan should get a slice of her territory for helping the Allies against the Central Powers. Consequently, when the Versailles Treaty failed to restore it direct to China, the reaction was bitterly anti-foreign. The Washington Conference of 1921-22 finally obliged Japan to give it back, but it was too late to undo the damage, or forestall Chinese determination that armed force was the only argument respected by the West. When believers in the historical interpretation of mankind seek a peg on which to hang Pan-Asianism, the Versailles Pact will do as well as anything.

Into this boiling lava of emotions between 1919 and 1926, Soviet Russia flung Karakhan, the Ambassador, and Borodin, the provocateur. They arrived together in 1923, one staying in Peking, the other going straight to Canton "to inspire the revolt against Imperialism." Two or three other ominous personalities also appeared, notably Eugene Chen, a British subject born in Trinidad of mixed Chinese and native parentage. Chen was a master of virile English, possibly one of the most caustic writers in the language East or West. He was manager of the *Peking Gazette* when the Great War broke out, and believed that China should remain neutral, thus running counter to his assistant, a former reporter on a Shanghai daily, and an Englishman. It was said that against Chen's orders, this assistant published articles demanding war and villifying various German residents. Chen dismissed him. Thereafter Chen and his associates in the subsequent Nationalist

movement, including Sun Yat-sen, were red rags to an English bull.

However, Chen appears to have left Peking after China declared war in 1918, and some time later ran an evening paper, called the *Shanghai Gazette*, in Shanghai for a few years. One of his associates was another English born and trained Chinese lawyer, named Kentwell. The newspaper, Chen, and Kentwell eventually ran foul of various Concession and consular authorities owing to their radical views, Chen finally joining forces with Sun Yat-sen at Canton. The concentration of these powerful radicals at Canton—Sun, Chen, Borodin and others—with the articulate populace seething, and Warlord “Republicanism” fast sinking into a disgusting orgy of loot, rapine, treachery and futility, was in 1923-24 significant enough for any pretended diplomat to grasp.

But the Diplomatic Corps—the Western and Japanese Ministers acting in committee—still affected to see no danger. Possibly events in this “changeless” China began to change too rapidly for them. Sun Yat-sen tried hard to get Western Powers to assist the Revolution or, at least, not to interfere with it. He wanted arms and ammunition, money and recognition, but it was not forthcoming. Sun was not a Bolshevik. He saw no good in pure Communism for the Chinese and said so. But in desperation, with Borodin at hand offering ready cash, Sun was bound to accept Soviet help as a last resort.

Early in 1924, Sun was at the height of his mental powers, and seemed to respond to the concentration of

Chinese hopes in his person. He delivered a series of lectures in Canton, outlining his principles and objects. His plan was based upon three separate movements. The first was Nationalism, by which Imperial aggression would be overcome and racial equality restored. The second was Democracy, by which militarism and class privilege would be abolished. The third was Livelihood, involving a social and economic plan to raise the standard of living. These three principles were to be introduced gradually by successive "periods" of "tutelage" until the people were educated up to full acceptance. As a remedy for, or a choice between, order and the chaotic Warlord regime, the Three Principles of the People should have had the support of every thinking Westerner, but they did not. They were scorned and ridiculed. In the manner of Lincoln's Gettysburg speech, these lectures were later published in book form and instantly became a charter of liberty, read by every adult and schoolchild in the country that could read.

In the same year, Sun went North to Peking at the invitation of Tuan Chi-jui, a moderately reasonable Executive trying to keep the Warlord regime from crashing, to discuss Tuan's naive "rehabilitation" programme. This was actually the brain-child of his aide, General Ting Shih-yuen, afterwards representative in London for the Manchukuo Government. Sun was suffering from tumourous growths. He stayed a few months in Tientsin where the present writer visited him, reached Peking only to go into hospital for an operation, after which he died at the age of 58, on

12th March, 1925. The day before he died, Sun is said to have made a brief will, requesting his followers, the Kuomintang, to persevere with the Revolution along the lines he had laid down. While in Tientsin—a fact to be remembered—his son, Sun Fo, swore a Chinese “blood-brotherhood” pact with Chang Hsueh-liang, son of Chang Tso-lin, the Manchurian Warlord. To Oriental minds, this was significant, and was later to effect Manchurian co-operation with the Nationalist Revolution, and thereby incur the wrath of Japan.

If Sun was powerful in life, he was a thousand times more so in death. His Three Principles swept the country. They were taught in schools and colleges, read at meetings, published in every conceivable form. His photographs were hung in the millions in homes, schools and public halls and reproduced on medallions, flags and banners. The country was in 1924 literally electrified by the new code of regeneration in a manner almost unknown in its long history. But still the Diplomatic Corps gave no sign of being aware. The present writer's correspondence and cables to the *North China Daily News* at Shanghai failed to arouse any appreciation by the press.¹ Sun alive was still, to most of them, a hare-brained visionary; Sun dead was simply good riddance to just another “disturbing influence.”

Conditions were climaxual. In 1924 a Rights

¹ The unexpanded text of one telegram, filed 3rd December, 1934, read: “Herald, Shanghai. Unparalleled welcome awaits Sunyatsens arrival tomorrow morning streets native city ablaze banners flags bearing inscription quote Sanminchuyi unquote lecturers on platforms addressing crowds people tonight outlining suns life principles schools declared holiday tomorrow common people almost alarmingly agitated jubilant.”

Recovery movement was started by Chinese teachers in Peking government schools, adding further substance to revolution. A Peking Chinese newspaper warned the public what was happening. "If the diplomats," it said, "of the foreign Powers are keen-eyed enough to see into the heart of things, they will at once modify their China policy by cancelling all unequal treaties forced on China. If, on the other hand, they warn us and send more troops to the country, we should welcome such action, because it would stimulate the whole nation to join the movement."¹ The reference to "heart of things" could not have been more explicit. Every journalist knew that Japanese activities, to be noted later, were directly suggested.

With all this smouldering resentment, school-children striking and marching the streets, students haranguing mass meetings, Warlord armies pillaging and slaughtering, patriotic labour strikes and general national hysteria, it needed only a match to set the country aflame. And such a match was struck; in fact, three of them. Within three months of Sun's death, on 30th May, 1925, Shanghai police shot twelve students and wounded seventeen others in a fracas on Nanking Road. For some time past, the Shanghai Municipal Council had been suppressing Communist propaganda by, among other things, various by-laws concerning printing. In addition, there were strikes and labour disputes and student demonstrations. Every new law was branded Imperialism, every demonstration Communism. Then a Chinese workman was killed in

¹ *Ching Pao*, Peking, August 1924.

labour riots at a Japanese mill. Two or three hundred students, youths between fifteen and nineteen, decided to hold a protest demonstration. Armed with nothing more than bamboo sticks, to which were attached pennants and home-made banners bearing Nationalist and Communist slogans, they marched into the Concession, or International Settlement, as it is called. When they reached Nanking Road, the busy central district of Shanghai, the Council police dispersed them and arrested three or four ringleaders. In guerilla fashion, they played hide and seek with the police and eventually concentrated on the Louza Police Station, where their leaders were held, shouting for their release.

The present writer, as a boy in 1905, had witnessed a similar attack on this station during the Mixed Court Riots. Then, the rioters were adults and rowdies who succeeded in driving out the police and setting fire to the station, which burned down. This memory was no doubt behind the superintendent's subsequent actions. As the 1925 demonstration of students converged on the gate, they naturally collected a huge crowd—some two or three thousand passers-by and idlers—who crowded into the busy main street and blocked all traffic. The superintendent, a British ex-naval petty officer, was without instructions beyond his manual. Although almost everyone expected trouble, the Chief of Police was five miles away playing golf, and the assistant was playing cricket. The superintendent formed up a squad of Sikh (Indian) Police, with loaded carbines at the ready, just outside the gate.

CHAPTER I

CHINESE CIVILIZATION

AN old Chinese blind beggar was once taken by a zealous mission doctor to his hospital, where he extracted two cataracts and made the man see again. When, instead of the expected gratitude, the old man demanded that the mission keep him thereafter because he had lost his means of livelihood, he gave an illustration of the cold, naked logic of the Chinese mind. His stark reasoning went beyond the merely personal question of gratitude, so deeply bound up in Christian ethics. It was impersonal, and in view of his old age, incapacity for other work, and the grim struggle for existence in that over-populated land, unanswerable. This power to look squarely into the face of actualities, a capacity for hard logic, may account for the survival of a four-thousand-year-old civilization against the worst possible odds, but whatever the case, we leave this old beggar's story as a headpiece. It will shed some understanding over what is to follow; more, perhaps, than the context itself.

There are many different conceptions of China and its people. Nearly five hundred millions on four million square miles is a unit far too large for one mind to grasp. It covers the entire gamut of human experi-

As the students came closer, pushed forward by a lurching crowd in the rear, anxious to see what was going on, the superintendent shouted amidst the din of yelling that he would "shoot to kill" if they advanced. The students may or may not have heard the warning, but they were unable to push backwards even if they wanted to. As the crowd lunged forward again, the superintendent gave the order to fire. As stated, twelve were killed and seventeen wounded.

The effect of this on an already inflamed people can be imagined. Unarmed students shot down by "British" police, whose answer to a wild escapade carried out by patriotic students was ball cartridges instead of a hose pipe. Subsequently, an international tribunal found negligence against the Council Secretary and Chief of Police, and exceeding duty against the superintendent. They were all dismissed with large honorariums, and about ten thousand pounds compensation was awarded the deceaseds' relatives, who had demanded far more, and for a long time refused to accept.

Another match was struck at Canton on 23rd June, 1925, when British and French forces fired on a similar demonstration, killing several people. The Chinese said they were unarmed, but the British declared that someone had fired on them first. This started a boycott of British goods that lasted for fifteen months and brought Hong-Kong's trade to a standstill. A third shooting took place at Wanhsien, on the Upper Yangtze, where trouble developed over some shipping dispute. A local Warlord appears to have confiscated

a ship carrying contraband but under the British flag. Its British officers, sent away, forcibly reboarded the vessel, were captured and held prisoner. Their attempted rescuers were fired upon by Chinese troops, to which a British river gunboat, arriving at that moment, replied by bombarding the troops' headquarters in the heart of the town. Result: about three hundred Chinese, mostly non-combatants, killed and many wounded.

"This habit of shooting into crowds," as observed by H. G. Wells, may or may not destroy the British Empire, but the incidents here are not mentioned in the light of censure. The time for censorious criticism passed years ago. They were blunders. They did not suppress any "rising of the natives," as similar shootings were supposed to do elsewhere. No "native rising" existed; only a discordant, incoherent political and economic revolution, mainly domestic and anti-foreign only so far as Japanese and other Western Powers were aiding the reactionary Warlords. Much of the oratory and marching would have exhausted itself in a Hyde Park. But the incidents became fixed signposts in the journey to Pan-Asianism, giving rise to rolling, cumulative effects the size of which will eventually blot out the road by which they travelled.

The Washington Conference had promised China Tariff Autonomy, and seven and a half per cent surtax on top of the established five per cent *ad valorem* Customs dues. It also promised a commission to investigate China's readiness for the abolition of extraterritoriality. These pious promises were blocked

as soon as they were made. France refused to accept Boxer Indemnity instalments except in Gold francs. The West had sent silver downhill by their demonetization schemes, and China was suddenly forced to pay almost double. France refused to join the Commission or approve tariff increases until China agreed. Furthermore, the Warlord cabinets, while upheld and financed by Japanese and Western money, kept falling so fast that none lasted long enough to co-operate with a Commission. Hence additional clamour about Imperialism.

Western psychology was amazingly irrational in some things. One or two nations were always making it difficult for the Chinese to co-operate with the rest. The rest knew it, but when China protested they neatly avoided collective responsibility. Moreover, they expected China to treat them—the good boys—differently from the others—the bad boys—in spite of their collective insistence, whenever vital foreign interests were concerned, upon Most Favoured Nation privileges. They believed in collective pressure, but not collective responsibility.

The Revolution, nevertheless, gathered strength as fast as the Warlords weakened. The Anfu Party—Tuan, Tinge, and others—were pushed back into office by Chang Tso-lin. The last-named was overlord in Manchuria, but was dragged south of the Wall by various things. The Anfu Party were financed by Japanese. Tinge admitted to the present writer that they had received one hundred and fifty million yen between 1918 and 1922. In order to restore the Anfus and at the same time provide a bulwark against the

Revolution, the Japanese gave Chang Tso-lin arms and money if he would in turn help the Anfus unseat the Chihli Party—Wu Pei-fu, Chi Hsieh-yeun, and others. The Chihli Party had publicly castigated the Anfus for receiving Japanese money, and Tinge further remarked on their hypocrisy, for, as he observed, “they have received far more from Japan than we have.”

Looking at this, and then reading the protestations of Japan in 1934 against lending Chinese money for war materials, and the statements by Pu Yi, and other friends of Japan in the English press about “ambitious and grasping militarists,”¹ thinking people will be forced to conclude that the truth is being suppressed. The Warlord cliques would have collapsed years before they did, and many would not have begun to function, if it had not been for the Nishihara Loan scandals.

Tuan, Tinge and company lived in Wu Kuang-hsin's house in the Japanese Concession, Tientsin. Pu Yi, ex-Emperor of China, also lived there—all within easy reach of the Japanese Concession Police Station. They were all under Japanese military protection, with guards of gendarmes and troops. When Pu Yi called on the present writer in a professional capacity, he was accompanied, as bodyguard, by a Japanese military officer in mufti. When the present writer called on Pu Yi at his residence in the Chang Gardens, the present writer had to pass through two cordons of Japanese police and Manchu soldiery.

¹ “The Nineteenth Century,” April 1934: “The Truth About Manchuria,” O. M. Green.

The visit to Tuan and Tinge coincided with the advance of Chang Tso-lin's armies south of the Wall in 1924. They were almost at Shanhaikwan, where Wu Pei-fu was consolidating his defences. To do this, he had to rush his troops through Tientsin along the Peking Mukden Railway. Spies in Tientsin, therefore, were behind Wu's lines and could by wireless inform Chang Tso-lin of Wu's movements, strength, and so forth. While interviewing the two generals, the present writer heard a wireless despatching set, and saw Japanese uniformed officers running in and out up and down stairs with despatches. Knowing that private wireless was forbidden by government prohibition, the present writer asked a few questions and learned that the sending set was a Japanese field unit, and at that moment was in communication with Chang Tso-lin's train, which carried an identical set, with an aerial stretched along the roof, which the present writer actually saw days later at the Tientsin railway platform. Tinge was frank about it; he showed the aerial running neatly around the inside of the top of the usual high wall that surrounds Chinese dwellings. He gave the latest message as to Chang Tso-lin's whereabouts and a great deal of other information. The whole business was confirmed later by an officer of one of the Western regiments stationed in Tientsin. He told the present writer that the messages had been picked up and deciphered by his own wireless operator, the facts matching what had been admitted. Wu Pei-fu's wireless messages had created some amusement among the foreign officers, for they were decoded from the ordi-

nary Morse, open for anyone with a mere crystal set.

This again should be looked at in the light of Japan's claims in 1934 and her friends' apologies. Why, if they were later to deplore the mess of military "tyranny" and "oppression" from which Japan "saved" Manchuria, were Japanese military units harbouring and assisting one side against the other, and why, as the present writer personally proved, were Japanese field guns, manned by Japanese army gunners getting fifty yen a day, in the vanguard of Chang Tso-lin's army? It was these gunnery experts who laid the famous "box barrage" around Wu Pei-fu's railway terminus and wiped out some ten thousand men in a few hours.

Chang Tso-lin defeated Wu, stayed in Tientsin long enough to attend the famous Conference with Feng Yu-hsiang, Tuan, Yang Ting, and Wu Kuang-hsin, paved Tuan's path into Peking as "Chih Cheng" or Provisional Executive, and went back to Mukden. Then followed swiftly, Sun Yat-sen's visit and death, the string of shooting incidents of 1925, and the gathering storm at Canton. Eugene Chen, now Acting Foreign Minister of the Revolutionary Government, notified the British authorities in Hongkong in September, 1926, that he would terminate the boycott, but begin to levy additional taxes on merchandise. The Revolution had been without funds because, as noted, all Customs revenue went direct into the British banks, and balances were turned over to the accredited "government" of China, otherwise the Peking Warlords.

A few weeks later, the Diplomatic Corps at Peking warned Eugene Chen that his proposed taxation was a violation of treaty rights. Chen's reply was typical. "My Government does not recognise the existence of the Diplomatic Corps nor are the status and relations of the same Powers vis-a-vis my government regulated on a basis which can properly entitle them to raise the question of a 'direct violation of treaties.'" He further advised the Ministers to see him and to discuss such matters as soon as they realised that the real authority in China had been transferred from Peking to Canton.

The Concession press was angered by Chen's "impudence." They began to suggest doses of battle-ship shells to bring the upstart and his "bogus" government to their senses. They knew, as well as the Diplomatic Corps, that the Warlord regime had out-lived its usefulness; they knew it was high time to encourage some sort of responsible government. For that reason alone there was no excuse for their untimely animosity towards the Republican Government, the only available alternative, except, as already noted, that the Revolution intended to abolish extraterritoriality. The Corps, the Press, the Merchants, all foreigners, wanted a new government for China, but not a revolutionary one. They knew from its spokesmen's professions that the Revolution intended to terminate Concession municipal autonomy, and restore sovereign rule over all individuals within China's borders. Abolition of their own, tax-free status was the very last thing foreigners wanted, so they threw their whole weight against the Canton Revolution. Shang-

hai's famous barbed wire episode, the three thousand signatures to a cablegram, and the 1927 Defence Force, was all a part of the largely artificial bogey-creating to give the Revolution as bad a name in the world as possible.

Sun Yat-sen had remarked once, that "the foreigner in China had acted like a king, and had insisted upon being treated like one. For thirteen years, foreigners (Japanese were included) had been engaged in stirring up trouble in the country. Once foreigners were placed under Chinese law, this interference in China's domestic affairs could be prevented, and it might have a salutary effect if one or two foreigners were shot for encouraging civil commotion." This sounds blunt to people in the West unacquainted with conditions, but to those in China who knew the background it was no more than deserved.

General Chiang Kai-shek's revolutionary army began its advance north from Canton early in 1926. By July he occupied Hunan, and by October had taken Hankow and Wuchang on the Yangtze. Kuomintang leaders explained that the movement was not anti-foreign, but anti-Imperialist. But Chiang's announcements that he would abolish extraterritoriality, coupled with the uproar of noisy Communists, made matters worse. After all, whether the movement was anti-foreign or otherwise, they, the foreigners, were, for all purposes, the Imperialists. The two things, person and system, could hardly be separated.

Chiang's rapid advance unnerved the Northern militarists. They formed a sort of coalition, inviting

Chang Tso-lin to come down, which he did in December, 1926, to take the title of Generalissimo. The enigmatic Christian General, Feng Yu-hsiang, and his Kuominchun legions had chased Tuan into the Legation quarter and assumed control. Thereupon, Chang Tso-lin and Wu Pei-fu, two former deadly enemies, joined forces to oust Feng Yu-hsiang.

Then the unexpected happened. The Western Powers recognized the existence, *de facto*, of the Revolution. The British Government circulated a Memorandum on 18th December, 1926, to each of the Washington Conference Powers. Had it been issued two or three years earlier it might have been a bomb-shell, but in 1926 it was merely an eleventh hour realization of the obvious. Three years earlier it would have prevented enormous misery and bitterness, rendered Communism ineffective, saved huge British trade losses, and made it a hundred times simpler for the Nationalist Revolution to reorganize the country.

The British December Memorandum recognized "the disappearance of political authority at Peking," "the development of a powerful nationalist government in the south," and suggested that the governments "consent to immediate collection of the surtaxes." The Note further suggested that the Powers themselves issue declarations of their "readiness to negotiate on treaty revision," and to "pursue a constructive policy in harmony with the spirit of Washington Conference." It also suggested that the Powers should declare their "willingness to recognize China's right to tariff

autonomy," and "to go as far as possible towards meeting the legitimate aspirations of the Chinese nation."

The Memorandum in the main merely re-trod old ground, for the Washington agreements had decided upon those policies in 1922. The Note made the usual reference to the lack of "responsible governments" in China, but no suggestion, of course, that such a state might have been avoided if the good-boy Powers had had the courage to keep the bad-boy Powers in check. The British later implemented their policy by the Chen-O'Malley Agreement for the rendition of Hankow's British Concession, followed by Kiukiang, and later Chinkiang. The surtaxes and tariff autonomy went into effect immediately. Belgium gave back her small Concession at Tientsin. America, Japan, and Great Britain addressed Notes to China expressing readiness to respect China's sovereignty, and make concessions to Chinese Nationalist aims.

Unfortunately, the new policy was distressingly like a climb-down, which was worse than the preceding obstructionism. It looked too much like making the best of a bad job. As proof of this, it inspired the Left Wing extremists to excesses of speech and activity. The foreigners, the Imperialists, were on the run, they declared, and lost both breath and wits in the chase. Eugene Chen issued typical statements on policy from Hankow. "The question is not what Great Britain and the other Powers may wish to grant China to meet 'the legitimate aspirations of the Chinese nation,' but what Nationalist China may justly grant Great Britain

ence. Cultural, economic, and political conditions exist in opposite extremes, with innumerable intermediate shades. Climaxes of life—civil war, famine, plague, drought, peace, abundance—frequently do not overlap and, moreover, do not affect the whole populace simultaneously as they do, or would, in smaller, highly organized Western states.

For this reason alone, China has been, and may continue to remain, all things to all critics at the same moment. Nevertheless, there are certain traditional pictures held by Westerners, either sponsored by interested groups or gathered from the sensational press, which must be blotted out by one or two general definitions. First the struggle for existence in China differs from that of human beings anywhere only by its greater intensity; second, their reactions to that struggle produce a morality no better and no worse than elsewhere; third, their minds are not as yet confused by the religious dogma which diverts some peoples from the task of meeting this life by promises of a better after-life. Rather do they strive to see that each generation does nothing to dishonour the previous one, which is a safer and saner means of assuring continuity of the essential purposes of life. The atom of their spiritual civilization—the family unit—is being split gradually by the impact of industrialization, but there are still many decades to pass before they reach the condition of mad incoherence peculiar to modern Europe, which after two thousand years is wallowing in reactionary political and social experiments, neighbourhood wars, and hatreds.

and the other Powers.” China, he continued, would “not disregard considerations of right and justice due to foreign nationals, but it was necessary to emphasize that effective protection no longer rested on foreign bayonets or foreign gunboats, because the arm of Chinese Nationalism, the boycott, was more puissant than any engine of warfare that the foreigner can devise.”

Chen never knew where propaganda ended and diplomacy commenced. His bombastic utterances, nevertheless, were natural reaction to Western blunders and misunderstanding of Chinese affairs. One British Note, harking back to China’s political objections to Christian missions, suggested, and by inference condemned the practice, that “British missionaries should no longer claim the right to purchase land in the interior, and that Chinese converts should look to Chinese Law and not to Treaties for protection.”

What the Powers called a “policy of patient conciliation,” but which was, when viewed in the light of the long years of deliberate thwarting and contempt, a sudden stampede, served merely to put the bit in the teeth of the Soviet-inspired Left Wing. Certain Nationalist armies ran amuck along the Yangtze early in 1927. Eugene Chen had just paid Mr. O’Malley a four thousand pounds cheque to pay for damage done to British property at Kiukiang, when a division of uncouth Shansi troops sacked the residences of foreign missionaries at Nanking, killing the British Consul and three other British and Americans. British and American gunboats had to bombard the city to prevent a more serious massacre.

There was a general exodus of missionaries. The Protestants had to get their wives and children out, but Roman Catholics, being bachelors, stuck to their posts. This exodus, for some good reason, suited the Protestant Mission Boards, for many of the families were sent back to America never to return. Left Wing communist elements had been talking of "sweeping foreigners into the sea," which actually happened, but no one got wet. They went—a thousand mission families—down to the sea in comfortable ships.

The Nanking Incident did more to check Chinese Nationalism from within than from without. Responsible Chinese knew it had hurt their cause, and following the inevitable demand from Great Britain, America, France, Italy and Japan, for punishment and reparations, the Nationalists split into two main groups—moderate Rights, and communist Lefts. Eugene Chen, of course, tried to evade the demands. He countered by demanding a simultaneous investigation into the Nanking Road, Canton, and Wanh sien "outrages by British, and British-controlled police, marines, and volunteers." Nationalists also suggested that the Nanking Incident was the work of Northern troops, anxious to embroil the Revolution with Western nations. The Incident actually happened while Northern troops were departing and revolutionary forces were arriving, but friends of the present writer, who went through the affair, identified the troops as a semi-independent division nominally attached to the Revolution.

However, America stood out against coercive

measures, and the moderate Kuomintang, led by Chiang Kai-shek, set up a new Nationalist government at Nanking, generally called the "Nanking Government." They began to wage war against their former associates. Borodin was expelled, the Hankow Government was broken up, Eugene Chen and Madame Sun Yat-sen were forced to flee to Russia, and sometime later Soviet Consulates throughout the country were closed, and their staffs also expelled. Western Powers supported the Nanking Government, severing relations with the Hankow group from May, 1927.

CHAPTER VIII

JAPAN'S UNREAL REALISM

IF the Tanaka Memorial were relegated to an Isle of Missing Masters along with other mysterious prints—Protocols of Zion, Memoirs of Li Hung-Chang and others—there are still active and documentary proofs of Japan's realism in Far Eastern affairs. An Editor—not a militarist or a politician—wrote in a conservative monthly magazine in Tokyo, in February, 1932: "We want China to realise the importance of her role in preserving the peace of the Far East in co-operation with Japan and not with others. We are utterly opposed to the presence of Western nations in the Far East and to the imposition of their will on China. Japan must play the role of private tutor, mentor and guide to China, and if any outsider has to impose his will on China, it must be only Japan. The Chinese now understand that the League of Nations was primarily created to deal with European problems and not with Far Eastern affairs. The protests of Great Britain and the United States contain a measure of truth, but do not suit the existing state of affairs in the Far East."¹

The last sentence, in various forms, has been part of almost every official Japanese retort. "The West does not understand the situation," or words to that effect,

¹ G. Hanzawa, "Diplomatic Review," Tokyo, February 1932.

was flung back in hundreds of cables from the Geneva vote onwards. What the Japanese really meant was that they, themselves, were unable to explain the situation. Truth needs no explanation, but its opposite gets worse with each new attempt. The truth was that Japan deliberately created the "existing state of affairs," and her spokesmen, therefore, did not know how to reconcile guilt and professed innocence.

There were no "natural" states of affairs in China or the Far East. They were all artificial, from religious to political, national to international—artificial, that is, in the sense that men, groups, nations pulled wires, set up dummies to have something to knock down, and generally bribed, intrigued, and engineered crises so that they might "view with alarm" and demand various rights, privileges, protections and armed intervention. It was simply the basis of Japan's "realism" that she had to create, paradoxically, an artificial cause upon which to base a still more artificial remedy. Without a superstructural premise, Japan could not draw her hypothetical deductions. Consequently, what to Japan was "realism," insofar as she offered practical remedies for practical ills, was no more nor less than a synthetic and totally unsubstantial idealism.

Japan had no message for the world, Eastern or Western. She had no civilization, religion, social concepts originating within herself, that would stand the test of application to peoples beyond her coasts, admirable though they were in their peculiar Japanese setting. The Japanese people—peasants, arti-

zans, fishermen—were happier in their original state than in their imported Western garb, for the obvious reason that they could not balance supply and demand without incorporating productive and consumptive regions beyond their own borders. Japan's realism was the realism of a snowball; it could move and expand only by swift progression; by acquiring layer upon layer of attachments and increasing space and momentum.

A major concern of the world, or whatever emerges from the ashes of the League of Nations, will be not so much to defend the world from Japanese expansion, but to protect the Japanese people from the evils of their own frenzied nationalism. The "existing state of affairs" in Japan was just as artificial as the state she created abroad in order to cope with her own unending cycle of difficulties. She had transplanted an industrial system to islands almost barren of raw materials; her birth-rate was falsely accelerated by official bans on birth control; her over-population was due, not only to unlimited breeding, but also to the people's refusal to emigrate, and the government's forced colonization on the mainland failed from the inability of Japanese to thrive in intemperate climates, or compete on even terms with other Asiatics.

Japan's great, desperate effort of the early part of the fourth decade, was to solve her problem by creating an "Empire" based on military garrisons without colonists. The Great Khans had something of that sort in Russia in the fifteenth century, as did the Manchus in China, and the Romans around the Mediterranean. Japan's intention to include in this

dominion peoples like the Chinese, the Mongols, Buriats and allied tribes, shows how little Japanese, themselves, "understood the situation," or the races with whom they were dealing. They overlooked the fact that while a loose hegemony might have been possible in a scattered collection of tribal agriculturalists of the Middle Ages, it was impossible in the twentieth century era of mass solidarity, close communication, and nationalism. Furthermore, Japan as a nation was a comparative infant, without any experience in colonizing strange peoples, and she would not, therefore, be expected to anticipate the racial and national reactions her military hegemony would be bound to provoke.

Therefore, while Japan was the world's current problem, yet the real danger was destined to grow out of her meddling with continental masses. It was not so much what Chinese, Mongols, Tibetans, Turkomen and others would do in defence of Japan's pressure, but what they might be driven to by, on the one hand, Japan's Pan-Asiatic manœuvring, and, on the other hand, by the West's selfish, and, to an Oriental mind, cowardly neutrality. The failure of the League of Nations to press home its pious judgment, the known financial interest of the West in Japanese ventures, were evidence of cowardice.

The West had forcibly raised China from a static to a dynamic condition. The industrial Powers had exploited China's resources to the utmost, professed friendship, promised her eventual equal sovereignty among nations. They also promised to refrain from

taking advantage of her revolutionary condition in a number of treaties—Nine-power, Mackay, and others. When, therefore, Japan, a co-signatory, tore up those treaties, took the forbidden advantage, and began to push Western influence and trade out of China, the Western Powers forgot their promises, treaties and moral obligations—apparently because there was no more money to be made out of China, or because it would be too dangerous to object—then the West could have no logical quarrel with the inevitable results. China might be disposed to play the Japanese game for all it was worth; in which case, the eventual repercussions were bound to be disastrous for the Western world.

Such were the prospects of 1934, and the future looked at from that period was far from bright. Japanese imitative skill with machinery, based upon depreciated currency, lower living standards, had already disturbed Western economics. The British Empire had instituted defensive regulations. But combined with the more skilful Chinese labour, with its still lower wage scales, the West might suffer an industrial paralysis from which it would not recover, at least, not in its current form. Pan-Asianism, on those lines, was being preached and intrigued for by a hundred thousand Japanese scattered throughout China—in government, shop, and farm circles. Asia for the Asiatics already had taken root in Nationalist government policies, with a large minority standing for outright co-operation with Japan.

But the bridge between Japan and China was diffi-

cult to build. Tokyo required a subservient China, and could not make concessions to Chinese aspirations towards sovereignty, unless, of course, the Chinese would agree to unite with Manchuria under the rehabilitated Manchu dynasty. Suggestions were already being made officially that Japan would force the West to relinquish its territorial rights in China, no doubt as part of the bargain. This was the sort of bait that might tempt China to play in with Tokyo, the Chinese mentally reserving their tactics for dealing with Japan later.

Nevertheless, inducements held out by Japan under a Pan-Asiatic Utopia would never attract the Chinese as would sovereign independence. In 1934 the West still held this power to forestall a rampant Pan-Asianism; it was still possible, although the opportunity was rapidly passing, to play the trump card of treaty abolition and renounce extraterritoriality. Western nations had the same opportunity in 1930; there was an open invitation by the Nanking Government to accept abolition. They had an identical chance to maintain goodwill, and retrieve something permanent from the ashes of a dead system, but remained obstinately indifferent. They ignored the basic fact that a friendly China was the West's last hope of keeping the peace of the East Asiatic continent.

Japan's defiance of Britain's National government, her defiance of America's hint to oppose her claim for a navy equal to any other, and her general strength in the East drew its inspiration from the known resentment of China towards the West's continuance of

the extraterritoriality system. Only China could withstand Japanese expansion; withstand it, that is, in her own way and time. A fully sovereign Chinese State would constitute a bulwark superior to all the fleets and armies of Europe against Japanese or any other expansion, but a China smarting under a betrayal, with no hope, no alternative but acquiescence in Japan's sugar-baited schemes, would be another matter.

In order to understand Japan's part in that "state of affairs" her spokesmen deplored, it is necessary briefly to review the previous few decades. The story begins in Korea; its outlines are roughly Japan's fight to reverse her status vis-a-vis China, to become a suzerain State with China a tributary, instead of playing tributary to China's suzerainty. Tokyo's "Monroe Doctrine" was only ancillary to the basic purpose, the reasons for which go far deeper into Oriental psychology than most Westerners are prepared to go. A sense of inferiority to, and fear and jealousy of, her huge cultured, persevering, beatable but unconquerable continental neighbour, have underlain Japanese motives. They can be seen in every series of blustering attacks, cajoling and bribery. Japan's actions lacked the repressive dignity and courage of conviction which should characterise genuine grievances. They were unconvincing in their very ferocity, bad temper, and imbalance.

Korea had existed as a tributary to the suzerain China for two thousand years or more. China had given Korean tribes, as she had also given the Japanese, their basic civilization, during the Han dynasty

More important, however, in defining Chinese civilization, is to disabuse the West of its absurd conclusion that the Chinese reached their cultural zenith at some past date, and are now in a state of decline. Nothing could be farther from the truth. The history of their civilization has been confused with Hellenic and Roman similes; made to run parallel with Mediterranean empires in their rises, declines, and falls. A French missionary, a member of the Roman Catholic Church, started the difficulty by Latinizing Kung Fu-tze, the author of China's system of ethics, into "Confucius." Meng Tze, another sage, became "Mencius." The idea gathered volume. Various periods in China's history were compared to the Golden Age of Pericles; Kung Fu-tze's code of behaviour became a "Doctrine of the Mean," and so forth.

Of course, it might have been necessary a century or more ago, in a newly Orient-conscious world, to interpret China in terms of "classic" scholarship, but the similes, unfortunately, have long since stolen the picture among the academic minded. The consequences were that, for many years, any likeness other than that of a decrepit Mandarin, in a pigtail, flourishing a pair of chop-sticks, was considered an affront to Western intelligence. Any book which did not contain passages of profound pity for the people's "backwardness," or "inscrutability," or, in later years, their "corruption" and "banditry" would rarely receive a reading. Most of these charges were true, naturally, just as they would be of any peoples in the West. But

(206 B.C. -A.D. 23). Chinese troops in the sixth century drove out a rebellious Korean tribe, which had the assistance of Japanese soldiers, and thus made Korea a nominal Chinese province. In the thirteenth century, Koreans helped the Mongol dynasty to launch an unsuccessful attack on Japan. From 1392 onwards Sino-Korean ties became firmer, and Korean Emperors regularly submitted to investiture by China's Emperors.

During the Ming dynasty (1368-1644) Japanese pirates, known as the Wako, raided Korean and Chinese coasts, capturing several towns, early Shanghai among them. Hideyoshi, Japan's Napoleon, after subduing the feudal barons in Japan, gathered three hundred thousand men, and landed in Korea in 1592 with the object of crushing both Korea and China. The Koreans put up a losing fight, as Belgium in the Great War, giving way step by step until half of them were slaughtered, and most of their country laid waste. Then the first ironclad battleships in history, invented by Koreans, routed Hideyoshi's fleet at Fusan, in a battle which deserves to rank with Salamis and Trafalgar, and cut off his supplies.

These ironclads were first, as wooden ships, designed by Chinese to keep off the Japanese coast raiders. They were broad, squat monitors, with the deck completely covered over, like a turtle's back, with steep sloping sides. Koreans improved on the idea by covering the deck with a sheath of thin iron plating down to the waterline. Boarding parties could not climb the slippery sides, and if they did, they could

not get at the sailors beneath. Guns were fired through narrow ports, *while striking shells ricochettted off.*

China sent troops to Korea's assistance, and with communications cut, Hideyoshi soon surrendered. The slaughter had been terrifying. Satsuma clan warriors had alone "scalped" some thirty-five thousand ears and noses, sent them to Kyoto, where they remain buried in a mound built for the purpose. But more important were the terms of Hideyoshi's surrender. A document, since denied by Japan, was said to have been accepted by him, the contents of which explain both past and recent friction between Japan and China, whether it was authentic or not.

The document read, in part: "You, Toyotomi Taira Hideyoshi, having established an Island Kingdom, and knowing the reverence due to the Central land, sent to the West an envoy, and with gladness and affection offered your allegiance. On the North you knocked at the barrier of ten thousand li, and earnestly requested to be admitted within our dominions. Your mind is already confirmed in reverent submissiveness. How can we grudge our favour to so great a meekness? We do therefore specially invest you with the dignity of King of Japan, and to that intent issue this our commission. Treasure it up carefully. Over the sea we send you a crown and a robe, so that you may follow our ancient customs as respects dress. Faithfully defend the frontier of the Empire; let it be your study to act worthily of your position as our Minister; practise moderation and self-restraint; cherish gratitude for the Imperial favour so bountifully bestowed

on you; change not your fidelity; be humbly guided by our admonitions; continue always to follow our instructions. Respect this!"

The wisdom, restraint, tolerance and calm assumption of superiority in this sort of document had characterised all early relations between the two countries, and continued down to modern times. Critics, unacquainted with their early history, have assumed that China became jealous of Japan's rise to a world Power, whereas the opposite was the truth. Even with Hideyoshi, the Chinese were merely following precedent. Another Shogun, Yoshimitsu, two hundred years earlier, had accepted investiture with crown and diploma from a Chinese envoy in Japan, sent there to see about the Wako raiders. Yoshimitsu's reason was ambition, after subduing other clans, to obtain higher sanction, and only China could give it.

Following about four hundred years of Chinese culture—imported in the fifth and sixth centuries—Japanese feudal families began a struggle for supremacy. This fight went on for centuries, reaching full pitch by the twelfth, when the victorious Yoritomo became Shogun, or Generalissimo. The Emperor came out of these centuries of militarism minus his temporal power, but retaining a spiritual influence. Hence the duality of government. The Shogunate became a focus of bitter rivalries among various clans, who battled incessantly for the title. The last clan to hold the office was the Tokugawa, whose regime ceased under the Restoration of the Emperor's supreme authority in 1868. This date, as in Oriental

custom, became the First year of the Emperor Meiji.

Because of this duality, certain Shoguns obtained great power and privilege by military prowess—witness Hideyoshi and Yoshimitsu—and to the first Western visitors appeared to speak with national authority. How Hideyoshi would have treated his alleged Chinese investiture could not, of course, be proved, for he died shortly afterwards in Korea. At the time of the Fusan naval battle—late sixteenth century—the great European invasion of the East had already begun. In fact, Hideyoshi's men had used arquebuses copied by Japanese from originals taken from Portuguese when their junk was wrecked on the Japanese coast in 1542. Roman Catholic missionaries had already settled in Japan, preached, and been expelled as early as 1587.

Their expulsion was in part due to another wreck, this time a Spanish vessel, a few years earlier. It appears that the Spanish skipper was anxious to impress his country's greatness on Japan by showing them a map of the world, Spanish dominions taking up a great deal of space. Asked how Spain obtained them, this boastful, insignificant sailor made a reply which became historic. "Our kings," he said, "begin by sending into the country they wish to conquer missionaries who induce the people to embrace our religion, and when they have made considerable progress, troops are sent to combine with the new Christians, and then our kings have not much trouble accomplishing the rest."

In addition to Hideyoshi's, other expulsion edicts were made in 1614, 1616, and 1638, when some

37,000 men, women and children—the entire Japanese Christian colony—were practically annihilated in a provoked battle. This put an end to Japanese contacts with the outside world for over two centuries. A tiny exception was a Dutch settlement on a pin-point of an island off Nagasaki. The Korean defeat, the Spaniard's hint of conquest by religion, closed Japan's doors against the world. And it is only by remembering this air-tight, introspective hibernation of seven or eight generations, that Japan can be understood.

The Tokugawa clan succeeded Hideyoshi. The civil wars gradually ceased. The country became wrapped up in petty domestic affairs, the clans vying with one another in erecting precise borders around their estates. The people, sapped of energy, sank into a torpor. Korea never recovered from the Japanese rape. She offered no serious opposition to the invading Manchus in 1637. China could provide no help, as the Mings were fast coming to an end. As an act of grace for their swift submission, the Manchus permitted Koreans to retain the Chinese top-knot headdress, which the Manchus, when they had intrigued their way into control of China in 1644, abolished throughout China, forcing the people to wear the queue, or pigtail. This, incidentally, disposes of the mistake most Western critics and artists make when they depict a "typical" Chinese with a pigtail, and a "typical" Korean with a top-knot. Actually the latter was the Chinese national headdress from very early times. Needless to observe, China at once abolished the queue when the Manchus abdicated in 1911.

CHAPTER IX

JAPAN'S RISE AND DUAL POLICY

AT the time of Japan's explosive re-entry into the world—1853-68—China had been open at Canton for a century and a half, and at other coast ports for from eight to thirty years. After the Meiji Restoration of '68 almost the first act of foreign policy was to demand that Korea acknowledge Japan as suzerain. Japanese statesmen had quickly learned lessons taught both her and China by Europeans. Western aggression had been coming down hard by land and sea. The American, Commodore Perry, had left a few gun-shot cards in 1853, and Great Britain had bombarded Kagoshima in 1863, leaving two officers and eleven British seamen dead, and rendering 180,000 Japanese homeless when the bombardment burned down their houses. Russia had already swept across Siberia, acquired the Pacific Coast Province of Primorsk, and established a military-naval base at Vladivostok by 1860. Britain and France had blown up the Taku Forts, and burned down the majestic Summer Palace near Peking in the same year. At the time of the Restoration they, with America in the van, were trying to smash into the "Hermit Kingdom" of Korea. The gunboat policy had run amuck, and when

American ships bombarded some Korean forts, Japan was electrified into action. It was a case of survive by force or go under. She immediately got in touch with Peking and signed a treaty with China.

The terms were significant. Other nations had imposed a number of unilateral treaties and indemnities which smelled of gunpowder. But Japan negotiated on equal terms. Chinese subjects were to have extraterritorial rights in Japan, and Japanese the same in China. The language was vague and flowery. The pact meant that Chinese, despised by foreigners in their own land, were to enjoy, from 1871 to 1894, a status in Japan equal in every way to that accorded by Japan to Westerners. Article Two was almost a bid for alliance. In part, it read: "Should either State experience at the hands of another country injustice or slighting treatment, on communication being made to the other State the latter shall give assistance or shall use her good offices in mediating between the two countries."

It looked as though Japan were scared and rushed into the first friendly foreign office she could find—her great neighbour's. That she asked equality was significant, for it was a step up from earlier relations. The Far East scene, however, was rapidly shifting. In the same year, some Loochoo Islanders, former vassals of China, but since 1609 tributaries to Japan, were killed and eaten by Formosan head-hunters. Japan claimed the Loochooans her subjects, and sent an expedition to avenge them. After some delay, China also sent troops to Formosa. War between

Japan and China seemed imminent, but the British envoy mediated, and in 1874 they signed a settlement admitting Japan's sovereignty over the Loochooans, who received an indemnity. Japanese troops withdrew from Formosa.

Japan revised her Far-Eastern policy after this incident. She had asserted a principle that once a place, island or mainland, acknowledged vassalage to Japan, its people became "Japanese subjects." From then onwards Japan, although joining in Western treaties with and about China, began to carve out her place in the Eastern sun. The duality of internal government may have ceased, but a duality of foreign policy took its place—one policy for the Western world, another for local application.

The Loochoo affair had been settled only a year, when Korea opened a new page in history by firing on Japanese ships in 1875. Thereupon began a twenty-five-year triangular struggle for supremacy in Korea, and later Manchuria, among Japan, Russia, and China. Russia was not satisfied with Vladivostok. Its harbour froze in winter, and she wanted a warm water, all-year, port farther south. She tried to get, in 1861, the island of Tsushima, at the southern tip of Korea, but without success.

The first chapter of the three-cornered fight opened in 1876, when Japan proposed a treaty to Korea and was rebuffed. She immediately sent a fleet to Korea's coasts, whereupon the Koreans promptly agreed to sign a pact declaring Korea "independent." This incident established two more customs, or principles.

that later distinguished Japanese diplomacy. First, although an Ambassador was present, the treaty was signed by a divisional general. The army thereafter regarded continental affairs as its special concern. The second was a fixed plan of progression. Korea, the tributary to suzerain China, first became independent, then tributary to Japan, then a protectorate, and finally a subject state.

But "independence" notwithstanding, Korea still sent tribute to Peking. China nevertheless was alarmed. Li Hung-Chang quickly annexed an ancient strip of no-man's land along the Chinese-Korean frontier. This glaxis lay between the Yalu river, Korea's boundary proper, and a strategic frontier palisade erected in ancient times to keep out Tartar invaders from the North. By occupying this glaxis to the bank of the Yalu, China indirectly announced that she expected invasion from the South, or from Japan coming up through Korea.

China followed this double-edged gesture by advising the Korean Emperor that he "may enter into limited treaties" with foreign nations. The first to do so was America in 1882. Immediately afterwards, China and Korea agreed to define trade relationships. The treaty preamble read: "All that pertains to the relations of Korea as a boundary state of China has been long ago regulated by fixed rules. . . . But as now foreign countries entertain trade with Korea by water, it becomes necessary to remove at once the prohibition of sea trade hitherto enforced between China and Korea. But the new regulations . . . are

to apply to China and Korea only, the former granting the latter certain advantages as a tributary kingdom." This, of course, smoothly disposed of the "independence" idea.

The see-saw had begun. China had for ages regarded Korea as one of her "boundary" or "buffer states." She was ringed with them—Tibet, Turkestan, Tonking, Annam, Siam, Inner Mongolia and Korea. Manchuria was not in this category, however, for it was in pre-Manchu times the home of savage Tartar tribes against whom China erected the Great Wall and with whom for thousands of years she fought a generally losing fight. After the Manchus took China it became part of the Empire, the Manchus usually referring to Mukden as their "Second Capital," Peking being the first. In fact, when China and Korea further regulated their relations in 1883, it was specifically written that the territory of Liaotung peninsular, containing the ports of Dairen and Port Arthur, was "crown land attached to His Majesty's Second Capital."

Korea was content to remain tributary to China, while Russia and the Western Powers appeared virile enough to oppose Japanese expansion. What better implement, in the absence of a modern armament, could be devised for China than to play the interests of one against the others? Japan, on her side, having found it necessary, in her acquired Western garb, to imitate Western methods, intensified the duality of her policy. It so happened that the West, the Christian nations, had invented the useful doctrine that provoca-

Western writers are not fond of parading Western criminality in the world's gaze, and no Chinese has yet bothered to salve his own people's conscience by making his story-book villains inscrutable Europeans.

The cult of letters, a fair indication of stability, has been continuous, especially since the Han Lin, or National Academy, was started in the eighth century. There have been, as elsewhere, periods when writers were fewer or greater in number. There were dynasties, and particularly emperors, under whose beneficence literature and the arts were fostered to a high degree—about their own palaces or persons, at any rate. This does not mean that all contemporaneous work was orthodox. On the contrary, many of China's best books were written by rebellious minds. Many writers escaped persecution or official bans by resorting to deeply subtle, allegorical forms, compared with which Dean Swift's "Gulliver's Travels" was a simple transparent artifice.

Emperors with tribute-gorged treasuries indulged in orgies of magnificence; chiefly, one is forced to observe, to impress their names on posterity—Western Sinologists, in particular. The latter appeared to forget that zeniths of court extravagance are too often the nadir of their people's welfare. The courts of Chien Lung and Kanghsi, the illustrious Manchus, were definitely not Chinese zeniths. It is true, of course, that the so-called Chinese "Age of Classics" coincides with the Golden Age of Greece. Lao Tze, Kung Fu-tze, Mo Tze, and Meng Tze were practically contemporaries of Socrates, Plato and Aristotle. But it is

tion was necessary to sanctify treaties enforced by arms. Japan faithfully, therefore, with but one serious exception, began to set up "provocations" in advance of every armed action. When she could not find them, she made them.

Korea, consequently, having the geographical form and propinquity, became a "pistol pointed at the heart of Japan." This rusty arm went off only once, in 1875, and thereafter misfired. It became obligatory to make it seem dangerous from other causes—occupation by Russia or internal dissensions. There was no evidence that Imperial Russia, bad as she was, ever intended to cross the Japan Sea, otherwise she could have done it long before Japan was able to resist. Vladivostok was just as good a jumping-off place as Korea. However, "fear of the Russian Bear" was another useful invention of the West, where it was absurdly overrated by British Prime Ministers. By adopting the Bear-complex, sometimes called an Octopus-complex, Japan had a policy that the West could understand. Warlord-complex and Bandit-complex were to follow in due course.

The Pistol-complex was the first. By 1884 the Korean court was a mess of intrigue, a struggle between pro-Japanese and pro-Chinese wire-pullers. The Japanese Legation was destroyed by a mob. Yuan Shih-kai landed from China with three thousand men to back the pro-Chinese party. Japan despatched a similar force to back up her friends. It looked very much like war; in fact, there was a skirmish when Yuan's mob, assisted by Koreans, attacked Japanese troops defending the palace. War, however, was

ahead of Japan's plans, Prince Ito signing a convention with Li Hung-Chang at Tientsin to end the incident. Japan had, nevertheless, advanced a step further. It was agreed that neither should land troops in Korea without notifying the other. Yuan became Imperial Resident at Seoul, ranking higher than the Japanese Minister Plenipotentiary.

Japan then turned her attentions to her own domestic affairs, doubtless realising that she had to build up a powerful army and navy if she were to make her weight felt. By 1894 she was more than ready. Western extraterritoriality was abolished, Great Britain signing the first treaty, the rest following suit. With these encumbrances out of the way, the next task was to impress China. She knew force would be necessary to convince Peking—the Manchus whom she was later to succour and establish in her Manchukuo Empire—that Japanese could retain extraterritoriality in China, but that Chinese would have to give it up in Japan. The treaty of equal status, signed in 1871, was still operative. Her plans acted like clockwork. The British treaty was signed July 16th, 1894, and nine days later, the 25th, a Japanese cruiser, *Naniwa*, sank a Chinese troopship, the *Kowshing*, on its way to Korea to suppress a rebellion.

The *Kowshing* was a British coaster, chartered by the Chinese Government, and manned by British officers. The *Naniwa* stopped her off the coast, demanding the troops' surrender. The British officers would have agreed, but the Chinese refused, where-

upon the *Kowshing* was sunk by gunfire, and over a thousand troops were drowned. The British officers and General von Hanneken, military adviser to China, had to swim ashore. The incident established yet another Japanese principle—fighting first and declaring war later, if at all. Japanese had captured the Royal Palace, carrying off the pro-Chinese queen, on July 23rd, sank the *Kowshing* on the 25th, and declared war on August 1st. Later the queen was assassinated brutally by members of a Japanese secret society.

A Japanese version of the start of the Sino-Japanese War reads: "There were riots in 1894 too serious for the Korean government to suppress; she asked for China's help, and Li Hung-chang sent six battalions under General Yeh. *Japan was informed of it, with the assurance that the troops would be withdrawn as soon as the internal troubles were settled.* Japan's reply was to the effect that she had never recognised Korea's dependence on China, and she sent Mr. Otori as Japanese Minister, with a Mixed Brigade, to Seoul, escorted by a naval landing party. Yuan Shih-kai proposed that both sides should withdraw their troops, but as he insisted on Korea being regarded as a Chinese dependency there was no way to negotiate, and war began on August 1st, 1894."¹

Here, by Japanese admission, the truth was obvious. China had kept strictly to her treaty by informing Japan; also according to treaty, Yuan suggested simultaneous withdrawal. But China's insistence

¹ Tokusuke Sahara, "Encyclopædia Sinica," Shanghai, 1917.

upon Korea's status as a Chinese dependency, and Japan's determination to reverse it, caused the war. The Korean riots had little to do with it. As the Japanese historian admits, "there was no way to negotiate."

The Sino-Japanese War lasted only a few months. Japan's forces were too much for the miserable ships and untrained armies of China. By the Treaty of Shimonoseki, Japan obtained Formosa, and the Liaotung Peninsula that Li Hung-Chang saw would be in danger. But it was disallowed. Russia, France and Germany intervened. Japan gave it back, and the indemnity was increased to about thirty-five million pounds. Formosa revolted and set up a republic, but Japan quickly crushed it. Among other things, Japan got from China the abolition of Chinese extraterritoriality in Japan, full enjoyment of it for her subjects in China, and the important right to build and operate mills and factories in China, a monopoly hitherto held by Manchu bureaucrats. By virtue of the Most Favoured Nation principle, Western nations also began to open various mills. Western banks also made a profit lending China the money to pay off her indemnity. During the negotiations at Shimonoseki, the world was shocked when a Japanese fanatic shot at Li Hung-Chang and wounded him in the cheek.

The independence of Korea was at long last recognised by China, and Japan set about reforming the country from top to bottom. Three or four hundred thousand Koreans fled over the border into Manchuria.

The "success" with China inspired all Japanese. In 1896 they began an elaborate naval and military expansion. The affront by Russia, France and Germany stung them severely, and was never forgotten. In fact, Russia appeared to be threatening before the treaty was signed. In February, 1896, a Russian force marched into Korea, and obtained from the king the right to cut timber in the Yalu valley. On September 8th Russia signed with China a convention permitting construction of the famous Chinese Eastern Railway. Then, to make matters worse, Russians were fast obtaining the goodwill of Korea's rulers. A Russian was appointed to the Treasury, but a demonstration by British and Japanese gunboats forced his dismissal.

The hectic half-decade had arrived in China. Germany seized Tsingtao, and China granted mining and railway rights right and left to French, Belgian, American, British and German companies. Russia leased the whole Liaotung peninsula, including Dairen (which Russia named Dalny) and Port Arthur, for twenty-five years beginning May 1898, and gained the right to run a branch of the C.E.R. down through Manchuria to Dairen and Port Arthur, thus opening rail connection from Moscow to the Yellow Sea. Then France occupied Kwangchowwan and Britain leased Weihaiwei "for as long as Russia occupied Port Arthur." Italy demanded a port but was refused. By this time, American foreign policy in the Far East had altered. Secretary Hay threw a bomb into the uproar by asking, in September 1899, the Powers to assure him that they would maintain an "Open Door

Policy" in China. The famous Note was inspired by British interests, with Russia in mind, but it produced a timely halt in the business of carving out "spheres of interest" to the exclusion of competitors.

This concession- and port-grabbing brought on the Boxer uprising of 1900, which provoked another orgy of grab. Residential extensions were tacked on to those existing at the Concessions in half a dozen treaty ports. Japan joined in the game, getting new Concessions in Tientsin, Hankow and elsewhere. Russia took the chance to invade Manchuria, but certain Powers refused to allow China to agree. There was ill-advised talk of "carving the melon"—dividing up China like a chess-board into virtually colonization spheres or "protectorates." Britain and Germany, in 1900, with more than enough on their hands, stopped the talk by announcing a pact to uphold the Open Door, China's territorial integrity, and non-interference in internal, or domestic, affairs.

Great Britain, still obsessed by the Russian octopus-complex, complicated Far Eastern problems in 1902 by forming the Anglo-Japanese Alliance. This association was to befog Far Eastern issues for a generation or more by building up in Great Britain a false sentiment, "a traditional friendship" founded upon one-sided propaganda and financial interests, which blinded the people of Great Britain, and through them, the Western world, to the stark realities they had to face, or tried not to face, in 1934. Russia's military occupation of Manchuria partly inspired the Alliance, and a few months afterwards, Russia

promised to withdraw by October 1903. Great Britain signed the Shanghai, or Cackay, Treaty in 1902, which contained provisions that never became operative because its reservations were never met.

The position between Japan and Russia was fast approaching a climax. From 1895 onwards Japan had a better idea as to which nations were her friends, and which her enemies. Her participation, though tardy, in the Boxer uprising, further improved her position. Backed by the Anglo-Japanese Alliance, Japan undertook the task of whipping Russia, the world's big bad boy. Such a gesture was dear to the hearts of Western nurseries—David tackling the bully Goliath. The gamble almost failed, but Western nations behind Japan with money, ships and guns—even gunners—indulged their childhood fantasy, making the picture complete with Japan the victor. The West—Great Britain in particular—had been afraid of the big bad wolf in St. Petersburg so long that they had no time to analyse the situation; the wish was father to the thought.

Japan was no more sincere than Russia in August 1903, when she proposed that the "territorial integrity of China and Korea," and the "preponderating interest of Russia in Manchuria, and of Japan in Korea" be mutually recognised. Russia had no business to be in Manchuria, any more than Japan in Korea, and it was no part of an honourable bargain that either should remain. Russia bluffed in her reply by ignoring Manchuria and China, and countering with restrictions on Japan in Korea. Japan's last Note

going unanswered, she declared war in February 1904. Russia was less prepared for war in 1904 than Britain was in 1914. She rushed troops over the single-tracked Trans-Siberian railway, and had to build a temporary bed over the ice on Lake Baikal to save the roundabout route. Her armies were let down with ammunition that would not go off, and shells filled with sawdust. Kuropatkin was beaten on the Yalu on 1st May, again at Liaoyang in September, and at Mukden the following March. His forces fell back on Changchun, where Linievitch relieved him.

The Russian high seas fleet left Libau on its famous trip round the world, in October 1904, and on the night of the 22nd fired on what it took to be torpedo-boats, but turned out to be trawlers, on the Dogger Bank. War between Russia and Great Britain was averted by the payment of sixty-five thousand pounds indemnity for damage and the lives of two fishermen killed. Port Arthur surrendered to the Japanese fleet in January 1905, before the high seas fleet arrived. No more leisurely war had been fought, several months elapsing between land and naval battles.

The high seas fleet arrived in Eastern waters after land fighting had been ended for some three months. In its first and only engagement, near Tsushima Island, the thirty-two ships were practically wiped out by the Japanese fleet. It was here that the Anglo-Japanese Alliance helped Japan. The *Whiting*, a British destroyer on the China Station, and one of the fastest vessels then afloat, scouted for Admiral Togo. As the Russians steamed up the China Coast

in two columns, the *Whiting*, with lights covered, steamed audaciously up between the columns one night, collected various useful data, and got away to report to Togo on the *Mikasa*. The Russians spotted the *Whiting* when she was abreast of the vanguard, and managed to put several shells into her funnels and superstructure as her funnels blazed at full speed, revealing her position. The present writer saw the *Whiting* steam into Shanghai later, her funnels hidden by tarpaulins, and saw repairs carried out at the local dockyards. A few months before the Tsushima battle, a P. and O. passenger liner landed forty or fifty strange-looking passengers, whose luggage consisted mainly of ditty-bags. A few days later they left Shanghai in a Japanese ship for Sasebo, the Japanese naval base. When the battle was over, the same passengers, with their rolling gait and trim whiskers, re-embarked at Shanghai and returned to England. Observers remarked upon the extraordinary efficient marksmanship of Japan's capital ships, but nobody, or almost nobody, was close enough to identify the gunlayers, who wore their Japanese uniform with considerable dignity in the circumstances.

The twelve months' sporadic fighting had exhausted both sides. There was talk of intervention. Japan could not have faced another winter campaign, while Russia had not yet reorganised transport and supplies. The abortive rising of 1905, provoked by defeats, further hampered her. Russian troops were still in Manchuria; in fact, entrenched at Changchun, they had been pushed back less than half way. They still

held the C.E.R. right through to Vladivostok, and what was vitally important, held the key-line from Harbin to Changchun, about 132 miles. Russia's political and economic domination of Northern Manchuria was to continue for another quarter century.

President Theodore Roosevelt, newly elected and anxious to put the world to rights, urged both belligerents to negotiate peace, but declined to mediate. The representatives met at Portsmouth, U.S.A., and the most authoritative account of the negotiations reads:

"The Russian plenipotentiaries accepted, in the main, the arbitrament of war, and an agreement was soon reached on the points relating to Korea and Manchuria: the Japanese domination in Korea was recognised; both Powers were to evacuate Manchuria, which was to be restored to the exclusive administration of China, with the exception of Liaotung peninsula, the lease of which was to be transferred to Japan; the sovereignty of China in Manchuria and the open door were expressly recognised; Russia ceded to Japan the railway from Port Arthur as far north as Kwang-chentze (Changchun), retaining the railway north of that point. Then difficulties arose.

"The Japanese plenipotentiaries, filled with a sense of victory, wished to gather its fruit; the Japanese forces were in occupation of the southern half of the island of Saghalien, and the plenipotentiaries demanded the cession of the whole island; in addition, they demanded an indemnity, the amount which it was well understood they intended to claim being 1,600,000,000 roubles. But there was still a war party

also true that the entire civilized world of that period produced many other notables, and if the Chinese still draw to some extent upon the philosophies of the pre-Christian era, so does the West with its insistence upon the same period as the basis of its classic scholarship. The Chinese can say, at least, that their culture is largely original and not borrowed.

During the height of the Roman Empire, China had come upon its Dark Ages, following an exhausting struggle with the Tartars. But from the fall of Rome to the Renaissance, a thousand years of European Dark Ages, China had been making a normal recovery. In the eighth and ninth centuries, as an instance, China produced her greatest poets, Tu Fu and Li Po, the first printed book, the first printed newspaper, and a creative school of painting. From the tenth to the thirteenth centuries, they invented movable types, and converted gunpowder into war uses.

The ruling dynasty in this period was the Sung, whose cultural level was high, but of the copy-book-traditional type rather than creative. And yet it has been called "The Golden Age of the Sungs," in spite of its administrative weakness and subsequent easy overthrow by the Mongols. These Northern aliens, under Genghiz and Kublai, remorseless though they were, had an enduring effect upon civilization, East and West. Their conquering Yellow Hordes brought the Chinese compass and printing into Europe, where, without the stimuli of printing press and safer navigation, the Renaissance could not have begun so early.

The Mongol effect upon China was similar. There

in Russia, convinced that the Japanese had passed their high-water mark, and had reached a point where they had neither the men nor the money to continue the conflict; and with this belief the Russian plenipotentiaries were in full sympathy. They therefore declared 'No indemnity, no cession of Russian territory.' On 25th August the discussion came to a deadlock, and the Russian plenipotentiaries received peremptory orders to break off negotiations on the 29th, if a satisfactory agreement was not then reached.

"Then two impetuositities concerted to ensure peace. On 27th August President Roosevelt telegraphed to the German Emperor asking him to urge the Tsar to make peace on the basis of no indemnity, and the return to Russia of the northern half of Saghalien; and at the same time caused arguments to be addressed to the Japanese plenipotentiaries which would induce them to obtain instructions to that effect. The war party in Russia protested, but the Tsar sent orders making for peace, and, at the meeting of 29th August the Japanese made no claim for an indemnity, and offered to Russia the half of Saghalien north of 50 degrees north latitude. The Treaty of Portsmouth was then signed, in French and English, on 5th September, 1905."¹

This was the "victory" which received so much approbation in the world's anti-Russian press. By the treaty, Japan obtained what she had captured and no more. The omission of an indemnity caused riots in Tokyo when the plenipotentiaries returned. The

¹ H. B. Morse, "International Relations of the Chinese Empire," vol. 3, p. 433, Kelly & Walsh, Shanghai, 1918.

people had been led all along to believe, by censored news and the known sacrifice of lives, that there had been a tremendous victory over a crushed foe. The peoples of Great Britain and the United States were misled in the same way. Political elation at Russia's humiliation swung about to hysterical praise of "our little brown brothers." Anthropologists began solemnly to declare that the Japanese were a distant branch of the Northern Aryans, or the Lost Tribes of Israel, and similar doubtful compliments.

International money-lenders, naturally, saw their opportunity. London, Paris and New York markets in due course became flooded with Japanese bond issues, and politicians, press and pulpit combined to create an even more artificial picture of Japan than they propagated of "decrepit" China. In London the hero worship subsided into a dignified "tradition" of friendship and identity of ideals and purposes, which, in numerous instances, particularly during the Great War, proved to have had only the slenderest basis. Nevertheless, the victory enabled money-lenders to induce Western investors to sink hundreds of millions of pounds in Japanese, Korean, and Manchurian enterprise, military, naval and public. Hence, when the West, through the League of Nations, was faced with Japan's defiant military expansion in the period 1931-34, the major Powers were estopped from applying the Sanctions. An already impoverished, depression-ridden West stood to lose both the millions invested, and the millions accruing in interest every year, if they had dared to boycott Japan.

Still, the Japanese managed to make the war a happy occasion for rejoicing, as the money began to flow in. Her soldiers and sailors had fought bravely, and had punctured the bubble of Slavic invincibility, the nightmare that had haunted European chancelleries for a generation. The war taught a lesson to Western attaches on the difficulties of conducting a war, with a corrupt commissariat, six thousand miles from the home base. The humiliation of a white race by a yellow one had a temporary electrifying effect on the Chinese, who thought that Japan's imitation of Western systems was responsible. The Chinese, now fully alive to the futility of the Manchus, who could not prevent two foreign Powers scrapping for greedy ambitions in China, and on Chinese soil, began with a boycott of the United States over immigration restrictions, and wound up their first phase with the 1911 Revolution.

What followed the Portsmouth Treaty is of the deepest significance to an understanding of Pan-Asianism. If Japan had sincerely determined upon a true, unselfish Monroe Doctrine; that is, a Hands-Off-China policy—looking towards a mutually beneficial and equally sovereign independence for all Far Eastern peoples—she could hardly have pursued her subsequent methods. The Russo-Japanese War had been fought on Chinese territory—at any rate, on soil belonging to the rulers of China—and in Chinese waters. The Chinese, or Manchus, were not only not consulted but also their weak protests were ignored, and their “neutrality” in several instances violated.

Before the Russians and Japanese met to discuss peace, China sent a note to America, Japan and Russia, saying: "In the present conflict Chinese territory has been made the theatre of military operations; therefore it is hereby expressly declared that no provision affecting Chinese interests without the approval of China previously obtained, which the treaty of peace may contain, will be recognized as valid."

Had Japan been a protagonist of Monroeism, she would have been impelled not only to drive out the Russian invader, and restore to China, their rightful owner, what that invader had wrung from her, but also to insist that all three nations—China, Russia, Japan—take part in the actual peace conference. But Japan had no such altruism. Her dual policy at once became apparent. She wanted to deal with Russia and China, each in a different manner, and to keep her Western commitments separate from her Eastern. For the world at large, it was Monroeism; for the East it was conquest—the reconquest of Asia from the grip of Western Imperialism. An honest Hands-Off policy, offered to a sympathetic, admiring Chinese people at that time, smarting under the previous ten years' orgy of grab, would have ensured Japan's pre-eminence in China for decades to come, and might have saved the Manchu dynasty, so precious to Japan in later years. But Japanese statesmen-militarists preferred a different course; one which provided the honour and glory of conflict.

The Japanese historian, previously quoted, made

things clearer: "Japan was victorious in the war with Russia, with the result that Manchuria and Korea were no longer in the hands of a strong power which could threaten Japan's existence." Actually the Russians still held more than half of Manchuria, and there was no concern for China's existence. Later he observed: "Japan found it necessary to annex Korea because of the amount of intrigue there, detrimental to Japan." Here it will be recalled that the Sino-Japanese War was fought, according to this historian, because China's claim that Korea was a dependency prevented any "way to negotiate," whereas in fact Korea was not annexed until 1910, fourteen years after Russia ceased to "threaten Japan's existence."

Again the historian: "Japan has always respected the independence of China, short of endangering her own." That fact was correct, and amply confirmed. But the Monroe hypothesis broke down when, with China's suzerainty relinquished, Russia's shadow eliminated, Japan had to postulate "intrigue" against her as justifying annexation. Anti-Japanese intrigue was bound to exist in the new Manchukuo Empire, and when the Emperor Kang Teh (erstwhile Pu Yi) died, without heir, as was probable, the intrigue would in the nature of things be intensified. Monroeism disappears altogether when "danger to Japan's existence"—of which Japan alone was the judge—was held enough reason to disregard China's independence. James Monroe was actuated by quite different moralities.

Japanese publicists were continually re-writing history in an effort to reconcile the dual policy of two

almost diametrically opposite characters. But, an unbiased world would naturally ask the simple question—why were Japan's policies on the mainland so thoroughly suspected by its inhabitants, even more than the heavy hand of Western aggression? There was a further question—why did Japan profess so many fears of this and that danger to her "existence" when no Imperialist nation ever tried to conquer, or showed signs of conquering, a group of volcanic islands, grossly over-populated, and devoid of raw materials, or any basic commodity worth fighting about? There was more than enough on the adjacent mainland.

Chinese and Koreans, unlike Californians and Canadians, had no fear of Japanese for economic reasons. Japanese were neither good farmers nor colonists, the mainlanders having survived Japanese competition in every field. What, then, underlay the mainland people's suspicion, contempt, even hatred towards Japan? Was it the patrician's scorn for the plebeian, or civilized man's contempt for brute force, or was it an intuitive judgment—something that defies coherent language? Certainly, it was not the simple jealousy motive so many critics seized upon. It went far deeper. Nevertheless, upon a correct answer, and a correct solution of that answer, lay the fate of Pan-Asiatic movements.

To revert to the Portsmouth Treaty, after it was signed, Japan signed one with China at Peking in December 1905. This was one of the shortest treaties on record. Article 1 read: "The Imperial Chinese

Government consent to all the transfers and assignments made by Russia to Japan." Article 2 read: "The Imperial Japanese Government engage that in regard to the leased territories, as well as matters of railway construction and exploitation, they will as far as circumstances permit conform to the original agreements concluded between China and Russia. In case any question arises in the future on these subjects the Japanese Government will decide it in consultation with the Chinese Government."

This was not worth the paper and ink expended. "As far as circumstances permit" and the ambiguous "will decide it in consultation with," rendered the treaty valueless as an international instrument. In fact, this was proved immediately afterwards. Russia's lease of Port Arthur read: "shall be a naval port for the sole use of Russian *and Chinese* men-of-war." The Japanese negotiators had objected that China had never used Port Arthur, but were refuted by the evidence of Chinese naval log-books proving the contrary. But, after the Peking Pact was signed, the Japanese deliberately ordered the Port Arthur dockyards dismantled to destroy its value as a naval port and thereby prevent its use by China.

In a supplementary treaty, Japan agreed that "in view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her rail-

way guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly." But Japan never carried it out; in fact, she negotiated secret treaties with Russia, her recent enemy, to prevent Russia from withdrawing her guards. In every possible manner from that date to her occupation of Manchuria in 1931, Japan prevented China from being repossessed of her rights, and from instituting improvements.

In view of Japan's repeated assertions that Russia had designs on herself, and the pile of diplomatic notes, treaties and literature written at that time, when international passions, jealousies and intrigues were thicker than the soupiest fog, it was, in 1934, about time that Imperial Russia's real purposes in Korea and Manchuria were reassessed. The Russian Bear no doubt was ruthless, swaggering—a bluffer and a bully—but before the Russo-Japanese War, his prime purpose and need was a "warm-water port" in Southern Manchuria or Korea, and not the conquest of Japan.

It was customary to parrot the diplomatic formula that Japan's independence was menaced, or would be menaced, by such a port. It was customary also to surmise—a pure hypothesis—that Russia, had she beaten Japan, would have occupied Manchuria and Korea permanently. But was Japan menaced? One theory was as good as another. What were the tangibles? Russia had negotiated a clean-cut detailed treaty with China for the Chinese Eastern Railway and Liaotung Lease. Japan—even after the Bear's claws had been clipped, and revolt was rising in Russia—

resorted to ambiguities and secret agreements. It was true that Russia, before 1904, had been negotiating the famous "Convention of Seven Points," one of which was to prevent other Powers opening treaty ports in Manchuria—aimed obviously at Japan. But, even if this pact had been signed, which it was not, what difference morally or politically was there between Russia angling for an economic preserve in Manchuria and the other Western Powers scheming for "spheres of interest" in China, Korea, Annam, and Tibet? Russia was an actual border neighbour, entitled from vital considerations, if not moral, to see that no other expansive Power cut her communications to the Pacific. No other Power, not even Japan, had as justifiable an excuse to see that nobody threatened her economic safety.

The *tu quoque* argument does not help matters, of course, but it so happened that Russia, selfish and exclusive, did consistently respect China's property rights. The Russo-Japanese War foiled her attempt to get an "ice-free" port on the Pacific, but it did not, if she had so desired, prevent her from annexing the entire North half of Manchuria, over which the vital C.E.R. ran. Harbin, the pivotal city, and every settlement along the line—Manchuli, Hailar, Tsitsihar—were in 1905 and for a decade afterwards, far more Russian than Korea was Japanese in 1910, when Japan annexed it. Every treaty Russia signed with China between 1895 and 1905 maintained the principle that Russian enterprises in Manchuria, Chinese soil, were held in usufruct; that is, Russia to have the use and

profit; China the sovereign ownership, and benefits of economic development. The C.E.R. was to revert to Chinese usufruct as well as ownership by 1937, by purchase, or by 1975 free of cost. That these terms were accepted by international law was only too well known to Japan; hence her establishment of an "independent" state, the Manchukuo Empire, to exclude China's rights and wipe out the legal process.

Water separates Japan from the mainland, and water was an all-important factor in Far Eastern dispositions. A Russian port at Dairen was no more of a threat to Japan than was Vladivostok for scores of years, but a Japanese port at Dairen was a threat to Russia, as proved in 1931-32. Nevertheless, in the period preceding 1905 and later, any Russian port, six thousand miles from home bases, was in immeasurably greater danger from Japanese sea-power than the port could be to Japan. In fact, the swift fall of Port Arthur in 1905 proved it beyond argument, particularly as it had, at that time, one of the most impregnable defence systems in the world, constructed by German engineers for China long before Japan or Russia came on the scene.

Why, therefore, was a "danger" and a "menace," so easily squelched in 1905, held to be a nation's desperate fight-for-existence complex for so many years before, and afterwards? Perhaps one answer lies in the simple truth that both nations, Russia and Japan, were struggling for the right to exploit a defenceless neighbour and that, for reasons arising from guilty consciences, each had to portray the other as a potential "menace." Neither Russia nor Japan had any moral

was a renaissance in painting and the beginning of fiction and drama. The eventual reinvigoration enabled the Chinese to rise, overthrow the Mongols, and to establish their own, the Ming, dynasty. The Mings were to China what the Renaissance was to Europe. Their rebuilt Peking, with its magnificent Forbidden City, Temple of Heaven, and the Ming Tombs, stands to-day with few equals. Metal type, cloisonné, and variety and colour in porcelains belong to their era. Their literary work, however, was even less vigorous than the Sung. In the absence of that competitive urge so fortuitously thrust upon Europe by an industrial revolution swiftly following the Renaissance, the Mings once more fell back upon ancient tradition and stagnated. The people did not benefit, as in Europe, by their reawakening. Consequently, once again the alien Tartars, in the middle of the seventeenth century, subjugated the country, a domination from which the Chinese could not release themselves until the second decade of this century.

This Tartar-Manchu conquest happened simultaneously with the commencement of Europe's aggressive economic expansion. The Manchu Emperors were, justly in many instances, afraid of early Western contacts; afraid of their security and jealous of their newly conquered domains. They wanted none of the West's manufactures, and preferred to be alone with their tribute-bearers, falcon hunting and court orgies. The Manchus closed all but one of the China coast ports, the farthest from the capital—Canton. For two centuries they did what the ostrich never does, hid their

right to possess the territory of China, except by that nation's leave. Certainly neither had any right to stage an international brawl on Chinese soil on the antiquated plea that China had to be industrialised as an investee nation.

Russia's brief overlordship in Manchuria, at any rate, was a benevolent domination economically, whereas Japan took over everything of value, mines, railways and forests, and established a semi-government monopoly to exploit them as much as possible by, for and in behalf of Japanese interest only. Russia had crudely tried to exclude other Powers, but Japan, while giving lip service to the Open Door, set up traffic rebates, preferences, tobacco monopoly, immigration restriction to the towns, and with the exception of petrol, oils, and other things not available in the Far East, hindered other than Japanese enterprise.

Liaotong peninsula (part of Manchuria) became in all respects a Japanese colony. It was a second Korea, with passport scrutiny, Japanese visas, Customs, harbour authority, fortified zones, and other restrictions. Snapshots were forbidden, cameras confiscated, and every cigarette or ounce of tobacco above the quantity allotted to through passengers went the same way. It was almost impossible for travellers by the Trans-Siberian railway, who had to pass through Dairen from Shanghai, to get through enough tobacco and cigarettes to last them the fortnight's journey. They had to buy whatever stuff the Japanese monopoly sold or could be picked up in Harbin and along the C.E.R. at far higher prices. The camera prohibition,

as well as the tobacco, was not so much to defend Japanese interests, as to swell the sale of Japanese picture postcards and tobacco. Actually thousands of Dairen "views" were on sale, even of the alleged prohibited areas.

Japanese Dairen set the pace for all Japanese affairs along the railway zone to Changchun, nearly five hundred miles north. The South Manchuria Railway Company's lines transported Chinese grown soya bean, and other farm products, down to the Dairen shippers, only according to the same company's oil mills' demand. When there was a glut, or demand dropped, the transport ceased. Chinese farmers were told "no rolling stock available," and their stocks accumulated at railway sidings to rot, or be disposed of later at lower prices. Fortunately, soya bean products had few such reverses, and became Manchuria's principal export. Coal, iron, timber, shale oil all went to Japan direct, profits earmarked along with tobacco for the Japanese Navy. The entire exploitation was conducted as one huge monopoly unit, which controlled every phase of industrial existence, from railways to mines, schools to hospitals, research laboratories, electricity, water-works; steamships and tramcars. In connection with these trams, Dairen was perhaps the only city in the world which allowed its tramlines to convey heavy freight-cars through the public streets. By this enormous combination, the S.M.R. Company in time produced an annual profit of some five million pounds, and employed hundreds of Chinese, and tens of thousands of Japanese.

CHAPTER X

REFORM AND THE OPEN DOOR

CRITICISM of China—the Manchus specifically—rests largely upon one principle. Were they right or wrong in resisting Western intercourse? If right, then a mountain of criticism becomes waste-paper: if wrong, then how far should the blame be tempered by circumstances—that is, was the force used fair, had they or the West the right to dictate the pace and degree of that intercourse, and was it wholly beneficial?

“In the world’s history,” says the premier historian on China, “no country, with so vast an extent of territory and so large a population, under one government, as China—no country with a tithe of its area or population—had ever been subjected to such a series of humiliations, or to so many proofs of the low esteem in which it was held, as China had been subjected to in the six months from November 1897, to May 1898; and it may be added, no country had even shown itself so incapable of correcting abuses in its administration, or of organising the resources of an exceedingly rich territory, inhabited by a sturdy race with many good qualities. This was felt by many patriotic Chinese. Foreign Powers were now contemplating with complacency the impending break-up of China.”¹

¹ H. B. Morse, *op. cit.*, vol. 3, p. 127.

The "administration" was the Manchu dynasty. The assumption that the "country" deserved its fate rests upon the Western ideology that a people deserve the government they get. But the Chinese did not deserve the Manchu dynasty; in fact, they had been trying to get rid of it for centuries. The Manchus were effete and corrupt, but they were powerful enough at arms to crush rebellion and stamp out reform.

Several chapters might be written on suppression, and several more on Manchu chicanery, treachery, and reaction. Kang Yu-wei, as noted, fled the country with a price on his head following a Reform movement. He had succeeded in 1898 in influencing the Emperor Kuang Hsu to institute the famous Hundred Days of Reform, which the Dowager and her princes vigorously quashed. The "incapability," therefore, of the Chinese was in not possessing the armed power to enforce reforms, but not because they did not try. When they did obtain such power, in 1911 and 1925-26, Western Powers, supported by the critics, combined to defeat or hamper them.

Among the early reformers were some serious scholars, men who would have revised the Constitution peacefully, without bloodshed—a fact worth remembering. One was a Viceroy, Chang Chih-tung, who wrote the famous "Learn." Another was Liang Chi-chao, editor of "Chinese Progress." The title Learn referred to five precepts: learn the shame of not being modern like Japan; learn the fear of becoming like India, Korea, Egypt; learn the methods of foreign governments; learn what is radical, and learn

not to forget the sages of China. Chang turned apostate when he saw his movement go revolutionary. After the Six Gentlemen were beheaded, an Englishman, editor of a British newspaper, after calling attention to the fact that five of them were "men of high official rank in responsible positions," remarked that "The blood of the martyrs will be the seed of the new China."¹

Obviously, then, reform and smouldering revolution were serious in 1898. They had acknowledged martyrs, heroes, refugees. And yet it was solemnly to be contended ten, twenty, thirty years afterwards—despite turmoil, falling dynasty, rising revolution—that China was "not yet ready for democratic government," that she required paternal development by "International Commission," and latest of all an alleged Monroe Doctrine initiated by Japan.

It would be incorrect to assert that *all* Western Powers were to blame for this frustration, just as it would be wrong to say that the Chinese, themselves, were to blame. Certainly, some Chinese were blameworthy, especially if it be held that the West had the right to set the pace of intercourse. Nevertheless, an explanation somewhat more convincing than those offered by critics was awaited to show good reason why a revolt, deep-rooted in the mass, should take form in 1898, come to a head in 1911, and be thwarted until 1927—only to meet with a greater frustration from Japan in 1931—with the country still far from its legitimate goal.

¹ *North China Herald*, 14th November, 1898.

The old-established explanations—backwardness, corruption, Warlords—will not do. Nine-tenths of the apparent weight of evidence—novel and readable sensationalism—has been copied out of one book into another, newspaper to book, and back again, year after year, and presented under new dust jackets and new titles. Human failings have been listed as Chinese failings. Agencies have existed for no other purpose than to present a gullible world with the “Truth About China,” written and read with a gusto and assumption that Pontius Pilate’s question had been answered to everyone’s satisfaction. But an intelligent section of the West had begun to wonder for some time if China of the three legends—the churchman’s heathen, the novelist’s villain, and journalist’s headliner—were not much more than romantic myths.

State documents, withheld from public scrutiny for halfcenturies—have yet to shed their light on that Hectic Half-Decade of the nineteenth century’s exit. When they do, most of the history hitherto written may be scrapped. Take as one instance the Open Door Policy. There was no book written on China for thirty years after the Open Door was announced that did not ascribe its authorship to John Hay, the American Secretary of State. Credit for that initiative meant immeasurable influence for American government and citizens in China’s affairs. Scores of subsequent treaties, doctrines, formulæ sprang from its premises; in fact, the complex web of international relations was caught up in some way or other with the Open Door.

And then, in 1934, the cat's-cradle had to change fingers. In that year it came to light that the real author of the policy was not John Hay, and not an American at all, but an Englishman.

"It has for some years been believed," says a writer, "that the Open Door Notes were drafted not by John Hay who signed them, but by W. W. Rockhill, who at that time was Director of the Bureau of American Republics, but who also served informally as Hay's technical adviser on the Far East. This belief as to the authorship of the Notes may be correct, but the authorship of the Policy should be credited to still a third party, not an American at all—Alfred E. Hippisley, a British subject, a friend of Rockhill's, who had served for some years in the Inspectorate of Chinese Maritime Customs under the famous Sir Robert Hart."

"Several times," proceeds the writer, who was an American, "in the preceding 18 months, the British Government had sought to interest the United States in intervention in China. The object of British alarm was Russia. The first suggestion was contained in a note from the British Embassy, 8th March, 1898, which Pauncefote was requested to deliver personally to the President. The reply was a prompt rejection. The second suggestion came from Ambassador Hay (then at St. James's) in the following June. Hay wrote a personal letter to President McKinley, which the latter referred to Secretary Day. The Secretary replied to Hay, 14th July, 1898, again repulsing the idea. A third proposal was made the following December. Lord Beresford made a fourth."

"Late in July, 1899, after having already had a conference with Hay, Hippisley wrote to Rockhill: 'I venture to suggest that the United States lose no time in calling the attention of all the Powers to the changes now taking place in China and, while disclaiming any desire on her part to annex territory, express her determination not to sacrifice (for) her annually increasing trade, any of the right and privilege she has secured by treaty with China; and, to assure this end, that she obtain from each European Power that all the Chinese treaty tariff shall *without discrimination* apply to all merchandise entering its spheres of influence; and that by any treaty, ports in them *shall not be interfered with.*' "

"Here, not felicitously expressed, is the substance of the Open Door Notes. Secretary Hay was convinced and immediately requested Mr. Rockhill to draft a memorandum on the subject. In another three weeks the famous Notes were on their way."¹

How close the Hippisley letter was to the Hay Notes will be seen from the latter's wording: "1. Will in no way interfere with any treaty port or vested interest within any so-called sphere of interest or leased territory it may have in China. 2. That only the Chinese government should collect duty and according to the Chinese treaty tariff. 3. That no preferential harbour dues or railway charges should benefit its own subjects."

¹ Tyler Dennett, "Annals of Am. Academy of Political and Social Science," 1933. (Italics by present writer.) W. W. Rockhill was afterwards U.S. Minister to China, 1905-1909. Mr. A. E. Hippisley, well-known in the Customs service, was later to suggest the plan by which the river approach to Shanghai was improved—the Whangpoo River Conservancy.

This Open Door Policy had an important bearing on Japanese Monroeism of the fourth decade. It became of deep interest to examine why it was so righteously acclaimed as China's "salvation" at the century's beginning, and yet thirty years later a dead letter, which even the League of Nations and three solemn treaties could not enforce. It was hailed, at least by Anglo-Americans, as a check to greed, intrigue and Imperialism. Upon close inspection, however, it was no such instrument. It lacked a vital qualification defining limits. It may have put all nations on the scratch mark, but not only did it open the door but also it threw down the door posts and most of the wall, as far as China was concerned. The Powers were not to "interfere" with one another's vested interests, but by virtue of the Most Favoured Nation principle, any nation might go as far as it liked, whereupon all others automatically stepped into line, claiming "Open Door." It was designed to throttle Russia in Manchuria, but resulted in a hundred-fold increase of pressure on China.

The Open Door might have been useful as an ideal, if nations could be accused of having such things, but what was the nations' record elsewhere? The U.S.A. had just annexed Hawaii, and taken the Philippines from Spain. England was fighting the Boers; Kitchener had recently taken Khartoum and Omdurman to avenge Gordon, who was years before antipathetic to Western aggression in China. The Hague Peace Conference, called by the Tsar, had failed to secure armament reduction, and had, instead, drafted new

' regulations for warfare, with an ineffectual Arbitration Court in the background. Koreans were fleeing into Manchuria to escape Japanese rule.

In China there was little more to be had by nations as individuals, unless prepared to fight one another. The easier way was to agree to share the country among them, making the most of what they already possessed. The Open Door may have, in this manner, comforted the Powers, but it eased no burdens for the Chinese. It merely multiplied exploiters by the number of Powers interested in every sphere of interest where previously China had to contend with just the one concerned. To the extent that it saved China from having her country turned into a shambles by international dog-fights, such as the Russo-Japanese War, Chinese should have felt infinite gratitude.

To generalize upon the "intentions of the Powers" would be to pervert the language. Statesmen and Ministers pass swiftly across the world scene. Political fortunes are largely a domestic affair. It makes for sanity to regard noble gestures rather as personal than national. Altruism was never a State's foreign policy, unless the immediate grace looked forward to a gain. Britain and America had everything to gain and nothing to lose by the Open Door Policy. American trade interests, once large in the days of the tea-clippers, had, in 1899, declined to insignificance.

Britain was established in South, Central and North China, and actually had a railway—the Peking-Mukden—running into Manchuria in 1899, the year the Policy was adopted. It was a far cry from China

heads in the sand, lifting it only to hit back fatuously with tin soldiery, deceit and intrigue against the pressure of modernised Western armaments. It required four wars—1835-42, 1858-60, 1895, and 1900—fully to force the Manchus to open the country, and keep it open, to Western commercial, industrial, and religious exploitation.

Thus, while the Manchus fought to keep China their private preserve, the Chinese people in the mass, with an immense instinct for trading, were thwarted for two hundred years and temporarily robbed of their rightful participation in the industrial revolution and its corollary of universalised culture. Unfortunately, the first agents of Western civilization were no great help. They were greedy and violent. Their escutcheon was neither cross nor culture. The missionaries of the late eighteenth and early nineteenth centuries softened the harsh contacts of buccaneers and opium smugglers, but their insistence upon "heathenism" lost them support of the Literati, while interference with Chinese jurisdiction cost them government sympathy. Hospitals and schools were to gain them more converts than evangelism-cum-cannonading.

Anti-foreignism, instilled by Manchus and provoked by merchant free-booters, was another retarding influence. It might have been prevented had European chancelleries been free of Napoleonic wars, and had been able to apply their intelligence, if not their moralities, to a problem—the reawakening of a quarter of mankind—so fraught with serious consequences to the future world. But they were not, and

to the Caribbean Sea, but when John Hay retired from his post at St. James's, he had Great Britain's uncomfortable influence in the Caribbean in mind, particularly in relation to the original Monroe Doctrine. De Lesseps had failed with his grand canal scheme, and the U.S.A. already had its plans made for a canal of its own—eventually the Panama Canal. British dominance in adjacent seas was a nuisance to be disposed of. Some *quid pro quo* was obligatory to get England to quit, and what better quid was there than Britain's invitation to intervene against Russia in China, for the *quo* of America being rid of British influence in the Caribbean? There were no secret treaties on this, as far as is known, but the exchange came about, nevertheless. America's Notes on the Open Door were applauded by her publicists. She had the Philippines, a fleet, and half a division of troops in the Far East, and seemed prepared to back up her moral policy.

The Russian Octopus-versus-British oil-fields politics of the Near East were thus re-shaped with intensified vigour in the Far East. The mysterious departure and return of several British men-of-war from Portsmouth during the Spanish-American War—those vessels that arrived off Key West with a skeleton crew, to be repainted, and later returned in the same manner—was not in vain. At least, one Monroe Doctrine was safe. America got her canal, and her oil concessions in Mexico. Russia was temporarily halted in Manchuria.

Then the Boxer storm broke, three months after the Notes were sent. The Hectic Half-Decade of humilia-

tions let loose accumulated passions. Two hundred and fifty missionaries were massacred by Boxers, Tientsin was besieged, and relieved just in time to save further deaths. The Peking Ministers and about four hundred foreign men, women and children were besieged in the Peking Legations for over two months, the Imperial Troops and Boxers firing into their midst some three thousand shells, and about two million bullets. The eventual rescue of so many unscathed, by Admiral Seymour's column, was held to be a miracle.

Japan's peculiar attitude in the Boxer affair should be noted, as it helps to elucidate her dual policy. She had defeated China only five years earlier, and might have, by prompt action, prevented or at least curtailed loss of life. Western troops were far away—Manila and India—whereas Tokyo could have sent several army corps in a few days. Britain asked her to send forces, but she hesitated. There was no good reason why she hung back; her nationals were in just as much danger as Europeans, in fact, Sugiyama, a Legation officer, had been murdered along with Von Ketteler, the German. Possibly, Japan still resented the Three-Power coalition which had robbed her of Liaotung "Of course," said her Foreign Minister, "Japan has troops at her disposal, but it was impossible to foresee the consequences of sending them." She was then told there were no Western objections, but replied that she "considered the troubles in North China much more deep-rooted and of far wider bearings" than they seemed to others. In any case, Japan wished to be

“assured that she would be protected from complications, and indemnified for her outlay.”

But, without waiting for the required assurance, Japan sent twenty thousand men—a trifle late but useful nevertheless. Lord Salisbury undertook, on behalf of Britain, to meet the financial responsibility, adding carefully that he “wished to draw a sharp distinction between immediate operations which may still be in time to save the Legations, and any ulterior operations which may be undertaken.” A wise prevision, for he doubtless had in mind John Hay’s Note of two days before, July 3rd, asking the Powers to respect the “territorial integrity of China” while dealing with the Boxers. Most nations overlooked the Note.

A few weeks later the world was horrified at a canard that the Legations had been captured by Boxers and every foreigner massacred. *The Times* published obituary notices of important men. China seemed destined for revengeful partition. Russia completely occupied Manchuria. After the Legations were relieved, Peking was divided among the Allied troops and systematically looted. Germans captured the famous Observatory instruments, and Japan confiscated fifteen thousand tons of rice, and three million bars of silver from the Treasury. The Forbidden City was entered and its palaces stripped of everything valuable left by the Manchus in their hasty flight to safer regions. The present writer’s father, who arrived later with British naval volunteers, bought various curios, ermine lined, gold-buttoned garments, from soldiers

for a few shillings. It was to everyone's advantage to consider China as breaking up. An indemnity of 147,335,722 pounds, principal and interest at a fixed rate of exchange, was the very limit of China's capacity to pay, and was an infliction few nations, without industries, could possibly survive.

As for the Open Door, matters were now worse. Besides the indemnities, nations were grabbing further concessions, almost coming to blows in the scramble; witness the Tientsin railway siding incident. To what extent, it might be wondered, did the United States, with its Policy and its "integrity" Note of 3rd July, 1900, ignored, insist upon their enforcement to the precise letter? The writer, above quoted, appears to have the reply:

"Three months later came the test (the Boxer rising). Would the American Government sustain its position as to the integrity of the Empire by keeping troops in China? The United States was in the midst of a political campaign. The Democrats were attacking the Republicans for their Imperialist policies. The Republicans were, as usually in August of a Presidential year, in a funk. President McKinley, candidate for renomination, was scared. He decided to withdraw the troops. Secretary Hay wrote: 'The inherent weakness of our position is this: we do not want to rob China ourselves, and our public opinion will not permit us to interfere, with an army, to prevent others robbing her. Besides, we have no army. The talk of the papers about our pre-eminent moral position giving us the authority to dictate to the world is mere flapdoodle.'

President McKinley persisted in his policy. By the end of the year the troops had been reduced sixty per cent, and a few months later to a Legation Guard. The policy of American intervention in China had been abandoned. Why? Because the American people would not support it."

It remained, as noted, for Britain and Germany, on 16th October, 1900, to agree to uphold "the territorial integrity of China," non-interference in her internal affairs, and the orphaned Open Door Policy. In 1902, the Trans-Siberian Railway was opened from Moscow to Dalny (Dairen). In the same month, January, Japan and Britain signed the Anglo-Japanese Alliance. Obviously, Britain could no longer rely on the United States, and so engaged another ally. Russia was still the potential enemy, for the Alliance mentioned the principal's respective interests in India and Korea.

This pact was answered by the equally famous Franco-Russian Alliance signed in March, 1902, and Russia, a few months later, agreed to restore Manchuria to China within twelve months. But Imperial Russia also had a dual policy. She had assured the world that she was not pressing on China the Convention of Seven points, but there was evidence to the contrary. Secretary Hay wrote President Roosevelt that, through Mr. Conger, American Minister in China, he had "intimated to Cassini (Russian Minister), that the inevitable result of their present course of aggression (in May, 1903) would be the seizure by different Powers of different provinces in China, and the accomplishment of the dismemberment of the Empire.

He (Cassini) shouts in reply: 'This is already done. China is dismembered, and we are entitled to our share.'"¹ The war with Japan was to alter that view.

The United States was to re-enter the Chinese scene several times in after years, in her role of moral preceptor, as her China trade began to grow again. She chipped in to play ball with her English-made toy, but never seriously to enforce the game's rules on her fellow players. Britain renewed the Anglo-Japanese Alliance in 1907 for another ten years, but upon the Dominions objecting to a third renewal after the Great War, it was allowed to lapse. Also, as Lord Northcliffe remarked to the present writer, "the Yankees didn't like it."

The Manchus went through the motions of reform between 1902 and 1911, but had unlearned none of their old trickery. Colleges and schools were opened, a parliamentary constitution promised, and opium trading was regulated towards abolition. But at the end of 1908, the Empress Dowager, the "Old Buddha" who had in 1900 offered fifty, forty, and thirty taels apiece for the heads of foreign men, women and children, died. The Emperor Kuang Hsu died a few hours earlier in suspicious circumstances. Before she died, she arranged to appoint the baby boy—the three-year-old nephew of Kuang Hsu's—and later Emperor Kang Teh of Manchukuo—to carry on the dynasty as Hsuan Tung. Prince Ching, a decrepit and wily Manchu, was appointed Regent, and Yuan Shih-kai Senior Guardian to the Heir Apparent. Soon after-

¹ Thayer, "John Hay," quoting Hay to Roosevelt, 12th May, 1903.

wards, however, the Manchus were split by jealous feuds, thus disposing of the apology often made that the Dowager alone was the Manchu's evil genius. Ching became "Prime Minister" of the new Cabinet, but his record as "a decrepit old man, irresolute, wily, corrupt, and inefficient," did not convince the Western Powers' Ministers, or the Chinese. The West wanted rights and privileges, and loan repayments guaranteed, but they could not imagine this sort of man capable of meeting them. They began to turn a cold shoulder to suggestions of loans. Yuan Shih-kai was exiled, with a "sore foot." When the Revolution broke out in October, 1911, the Manchus, in desperation, recalled him to "save the dynasty," with results that have already been noted.

CHAPTER XI

RAILWAYS IN MANCHURIA

IMMEDIATELY prior to the Manchus' fall, there occurred one of those intangible things of which history, so deeply concerned with dates and formulæ, makes little reckoning. Japan's dual policy—Monroeism in one hand and Meiji-ism in the other—was to be intensified because of it. As would be understood, after her war with Russia, Japan was heavily burdened with war-debt taxation. There seemed to be no way out but to exploit China, and make the Chinese like it. Manchuria's raw materials were the means; Japanese railways, mines and mills the channel. Then came a severe shock. From the land of the Open Door burst another proposed policy—the Knox Neutralization scheme for Manchurian railways. "That such a proposal," observes a writer close to the heart of events, "in the circumstances, should have struck the Japanese people much as the Kaiser's telegram (to the Boers) struck the British people, is not at all surprising. It was looked upon as unwarranted interference, almost an affront."¹

The Knox scheme fell through, only to be replaced by an even more dangerous plan, pushed by American

¹ Putnam Weale, "Truth About China and Japan," 1921.

and British interests—the 1909 project to build a new railway from Chinchow, in South Manchuria, through Taonan, Anganchi, which is on the C.E.R., to the top of Manchuria at Aigun. This line would have paralleled the Japanese S.M.R. some miles to the Westward, tapped the C.E.R. through traffic away from the S.M.R., cut off two-thirds of Manchuria from Japan's port at Dairen, and generally ruined the S.M.R. Company's monopoly before it was really started. Years later, the Chinese persisted with this line and others, and it was largely due to the fact that they were ruining Dairen and the S.M.R. Company that Japan acted in 1931. However, in 1909, the plan threw Japan into a feverish activity. What wires were pulled may never be known, but the scheme disappeared temporarily in a dither of intrigue. Tokyo determined upon more drastic policies. The following year she annexed Korea outright.

Following this, public feeling in the United States became worried at the Anglo-Japanese Alliance, and in response, Britain obtained from Japan a revision of the pact making it inapplicable to the United States. In other words, Britain would help Japan against all except America. The change was innocuous, for no one but Russia was intended from the beginning. But coming at that moment, it gave Japan room for fast thinking. Could it mean that now Russia was pushed out of South Manchuria, Britain and America wanted to do a bit of exploitation there themselves, or had Britain revised the Salisbury-Landsdowne confusion of East with Near East, or

was it due to the "Arbitration" complex that Anglo-American statesmen suffered from at that period? The answer might have been found in all three, but the Chinese Revolution began a few months later, and in February, 1912, Japan and her potential enemies received a worse shock.

The Manchus' 267 years reign over a conquered people terminated. Japan hastily invited Britain to save them and was turned down. Worse still, Yuan Shih-kai, the Strong Man, arch-enemy of Japan in Korea for twenty-five years, had the unanimous support of Europe and America. They were putting their money on him to stop the revolt. Again the precipitate applause: *The Times* correspondent wrote: "If Yuan Shih-kai may be considered the potential Chatham of the Chinese Empire—'I know I can save the country, and I know no other man can'—Prince Ching certainly had some of the qualities of the Duke of Newcastle of that period." Yuan a Chatham!

Japan faced a complex situation. First of all she was a Monarchy; according to Article 3 of the Constitution, "The Emperor is sacred and inviolable." The Japanese were long trained in mass rule from above. The very last thing they wanted was a democratic republic at their doorstep. They could understand a Monarchy, even with a few concessions to the mob in the shape of parliaments, dumas, diets. But government by the people was beyond their comprehension, a dangerous thought at best. Tokyo had watched the Manchus training a large Model Army with Western instructors—Yuan had reviewed a

hasty councils applied the screws too hard and inequitably. The result was to establish terms of contact—extraterritoriality, spheres of interest, land concessions, river and coastwise shipping rights, subsidised religion—which developed further grievances of a deeper nature, and from which, even in the fourth decade of this century, a hundred years afterwards, the Western system found it far easier to find precedents to carry on, rather than reasons honourably to withdraw. Although purely speculative, it may be wondered if any European state, withheld from world contacts for a similar period, would have achieved as much, or as little, as the enormous mass of Chinese have done in recent years.

When comparing civilizations, it does not follow that eras of cultural invention are necessarily a peak in their respective progress. In fact, the assumption is neither reasonable nor scientific. The basic creeds of all modern civilizations rest upon doctrines two thousand years old. For all it matters to society of the present time, Christ, Kung Fu-tze, and Gautama were contemporaries. The zenith of any civilization would seem to depend not upon the date its faiths were invented, but rather upon the time when they were generally and honestly applied. No thoughtful person will insist that any such period has yet come upon the world.

The mistake of early interpreters of China seems to lie in geographically separating Western European centres of culture from the general European or Aryan peoples. A logical simile for China is not a tiny Medi-

hundred thousand in 1905—and destined to reach thirty-six field divisions by 1915, if the Revolution had not ruined the scheme.

Such an instrument in the hands of the weak-minded Manchus was one thing, but available to an anti-monarchical, democratic, revolution it became something different. Would Japan now face the prospect of fighting China, instead of Russia, for possession of Korea and Manchuria? Had the Russo-Japanese War been fought in vain? Chinese armies, potential millions of fearless, fatalistic men who could stand the hottest summer and the coldest winter, might be a danger to Meiji-ism on the Asiatic continent. As Japan protested bluntly in 1934 against lending China money for arms and airplanes, so did she feel in 1912. There was only one answer: either break down the Chinese military machine by corrupting its officers, or get control of it—its arsenals, arms, ammunition, communications and finances. Thus it might be turned from a menace into an instrument of conquest when the time came.

Whether or not Pan-Asianism, the hinted dream of conquest, attributed to the Emperor Meiji, but more likely brainchild of the Japanese High Command, was on a par with other national pipe-dreams was problematical. The world had them before and will have them again. Japan established no precedent if she conjured up visions of *Der Tag*, or carrying a Yellow Man's Burden. Such things, even theoretically, are useful for recruiting, discipline, and mess-room ribaldry. But whether there was, or was not, a

drafted plan of Pan-Asiatic hegemony in black and white does not matter in the least. The purposes stand clear to those who examine the actions.

Japan had no option but to play in with Western Powers and back Yuan. The money-lenders had united in Consortiums, the better to enforce terms. They were a sort of Open Door with a doorknob for each entrant. The 1913 Reorganization Loan was first negotiated by a Six-Power Consortium, but President Wilson thought it looked too much like coercion and withdrew his sanction. Then it became a Five-Power group. Japan agreed to participate but only upon an extraordinary reservation—that none of the money be spent in or for Manchuria and Mongolia. Japanese spokesmen were to tell the world of 1931-34 that China had let Manchuria go to rack and ruin with tremendous damage to her interests, but they neglected to mention this reservation of 1913 when twenty-five million pounds were to be available.

Railways were Japan's greatest fear in Manchuria. She wanted none but her own, or financed by her own subjects' money. Her struggle to enforce that condition upon all comers lasted until she had exhausted all peaceful means in 1931. "The South Manchuria Railway," says the best possible authority, discussing the economic results of Japanese action in Manchuria during the 1931-33 period, "has in fact been the chief gainer from the whole trouble. Recently control of all railways in Manchuria has been vested in the S.M.R. Administration, which is taking steps . . . to merge all the lines into one gigantic

system. It will also put a stop, of course, to that building of new lines parallel to and competing with the S.M.R., which was *one of the real causes* of the Sino-Japanese dispute.”¹

“The Kuomintang,” says the same authority, “had become active and the policy of the local authorities was Manchuria for the Chinese and resistance to Japanese claims to a privileged position. Disputes ensued culminating in Japanese military action on the 18th September, 1931.”

¹ U.K. Department of Overseas Trade, “Trade and Economic Conditions in China,” 1931-1933. Report by Louis Beale and G. C. Pelham, H.M. Stationery Office, London.

CHAPTER XII

WHY CHINA HAD FEW RAILWAYS

It goes without saying, perhaps, that the Japanese railway policy in Manchuria was no worse than that of the Powers' in China. A brief analysis of the latter will serve to show not only their methods, but also bring into focus the question of whether China or the West should have set the pace of Western penetration.

Western economists of a later date have noted, with some astonishment, that China reached the fourth decade with only eight thousand miles of railway. They wondered why a country with one-fifth the world's inhabitants had only two per cent of the total world trade. The difficulty was that the story of railways in China was largely buried in inaccessible records. Railways had created more rivalry, broken more hearts, and ruined more reputations than any other single economic factor in China. There were but two sinologues who could write balanced and unemotional records of the subject. Western critics, also of a later date, were quick to note defaults or delayed payments on railway loan issues, but they had little idea of the unseemly haste with which they were thrust upon China.

From the first to last it was foreigners, moved by the

mighty impulses of philanthropy, statesmanship, and what-not, who mapped out China with the dotted lines indicating "Railways Projected"; who had reckoned up the resources of the country, and had charged themselves with the two-fold task of preventing famine and invasion. The necessity of building railways had been pressed upon the Chinese Government in every way. Their advantages, military and commercial, had been extolled in season and out by ministers, consuls and all foreigners who could get access to the ear of a mandarin of any kind; yet those apostles of progress had all spoken to deaf ears and demonstrated to blind eyes. The sum total of the whole twenty-five years of railway propaganda—1860 to 1886—had been to invest the railway idea with a repulsive foreign garb, and to arouse against it the latent forces of passive resistance.

The Chinese had probably observed that pure philanthropy was usually associated with the ardent desire for concessions and monopolies; and the edifying manner in which the different national syndicates flew at each other's throat to prevent these concessions falling into each other's hands revealed most opportunely the true motives of these foreign advisers. "Nothing had been left undone to make the word 'railways' an abomination to the Chinese."¹

Claude Kinder, an Englishman, built the first railway engine to be made in China, christening it "Rocket of China" on 9th June, 1881, the centenary of

¹ Alexander Michie, the *Chinese Times*, 27th November, 1886.

George Stephenson's birth. It was made out of old scraps, and when the Manchus heard of it, they ordered the "monster's" destruction. Kinder had the parts buried until trouble blew over, but eventually got it running on a tiny coal haulage track at the famous Kailan Mines. After a great deal of intrigue and cajolery by Li Hung-Chang and Tong King-sing the Manchus consented to have the line developed in order to connect the coal mines with two seaports, one north, the other south, of the mines.

Economics and all the pother of trade development had no place in the Manchus' acquiescence. The Imperial Edict, issued as result of the Board of Admiralty's Memorial of 15th March, 1887, was recognized as the formal and authoritative inauguration of the Railway Age in China. Part of the Admiralty's memorial read: "If they—the sea-coast garrisons—were united by a line of railway, in any case of emergency troops despatched in the morning could arrive at their post in the evening, the soldiers at one post would suffice for several places, and the cost of maintaining the army could be greatly reduced."¹ Coal was mentioned only as a supply for the navy.

Consequently, the railways of China began as part of the country's defensive strategy. They were used gradually for passengers and freight, but their economic value—as they existed up to the second decade of the twentieth century—had given nothing like the impetus to trade which might have been given by railways built from a strictly economic standpoint. That first

¹ *Idem*, 2nd April, 1887.

line—subsequently expanded into the Peking-Mukden Railway—paralleled the coast, and several junk canals. The Tientsin-Pukow, built 1908, paralleled the Grand Canal and coast. They were useful for travelling north or south, but commerce in China had to move east and west.

Chinese inland and coastal trade had been carried on for hundreds of years by canal, river and coast at infinitesimally small freight costs compared with railways. Junks and canal-boats were the owner's and crew's homes; they "tramped" about free of land attachments or responsibilities to bondholders. Where the choice lay between water and rail, over the same approximate routes and distances, Chinese buyers and producers preferred the lower, waterborne method for non-perishable and, in short journeys of a day or two, perishable goods. It was only when railways began with branch lines to make short east-west cuts from inland to coast, and some river ports, that they began to assume a value higher economically than the slower junk traffic.

The Manchus, no doubt, are to blame for the strategy-railway system, but over-anxious syndicates of Westerners, with one eye on their own military strategy—witness Japan and Russia—were only too glad to get concessions, regardless of economic considerations. They imagined, as most investors for years imagined, that railways was a magic name destined inevitably to make money, however badly installed. If from the beginning railways had avoided skirting rivers, canals and coast, the overseas trade of China

would have become far more than two per cent of the world's total, and there would have been a far larger mileage.

Spheres of interest were largely railway concessions. Russia asserted sole right to build in Manchuria; Germany claimed a monopoly in Shantung; France in Kwangsi, Yunnan and Szechuen; Japan in Korea and Fukien; Britain in the Yangtze Valley; Belgium in mid-China, and so forth. Belgians, secretly backed by Russia and France in some cases, built the Peking-Hankow Railway in 1905. Before the Boxer uprising, before the Open Door Policy was born, these major Powers had actually agreed with one another to respect their several railway spheres. Britain admitted the prior rights of Russia in Manchuria, and the sole rights of Germany in Shantung. Belgians tried to get the Hankow to Canton rights, but Chinese were anxious to prevent foreign interests—especially the French and Russian behind the Belgians—from controlling a strategic line through the “heart of China.”

Sheng Hsuan-hwai, director-in-chief of railway construction from 1896, and an able if somewhat shifty negotiator, induced American financiers to join in the scramble for railways and compete for the Canton-Hankow concession, better known abroad as the “Hukwang” line. Belgians tried to outwit China by buying up shares in the American company, whereupon China, resenting the trickery, eventually bought back the rights. The northern section finally fell to a Four-Power Group—British, American, French and German

—in 1911, with the notorious “Hukwang Railways Loan” of six million pounds. The southern section was left to Chinese capital. And yet, in 1934, twenty-three years later, still more money was needed to complete the total 700 miles by closing a gap of some 280 miles in the middle.

Foreign comment in 1933, ignorant alike of railway history and economic value, hailed the probable early completion of this Hukwang Railway because it would link up Hong-Kong, via Canton, Hankow, Manchuria, with Europe! This was a pleasant prospect for travellers who liked being cooped up in a train for three weeks, but it revealed how little was yet understood of the true reasons for rail traffic in China. The fundamental principle of railways—the swift and inexpensive transport of goods between producer and consumer and of passengers vitally concerned—had not even in 1934 begun to sink into the minds of China railway financiers. And until the existing franchises and monopolies were swept away by time, or drastically revised, there was not much hope that it ever would. Planes and flying boats seemed likely to render railways obsolete in any case.

Reviewing the whole problem, politically and financially, a critic who knew his subject, remarked: “The extraordinary nature of the railway tangle to-day (1921) is due both to the false principles on which the development of Chinese railways has been conducted in the past, and to the hopes still cherished by some Powers, notably Japan, that the control of Chinese communications is a stepping-stone to political

domination.”¹ How true that was in 1934 with the S.M.R. in control of all Manchurian lines need not be emphasised.

After pointing out the dire necessity to nationalize all Chinese railways, the critic continued: “In the past the method pursued by foreign interests has been as follows: After a bitter struggle in the dark, with every rival Legation working through every possible agency to prevent consummation, a railway concession was granted to a single concessionaire, or to a group, which provides for the issue of a gold loan on the security of the given line, the amortization of that loan after a certain period, and the appointment of a chief engineer and a chief accountant of the concessionaire’s nationality—the whole enterprise being nominally controlled by a Chinese director-general. The granting of this concession, however, is held to carry certain rights, irrespective of the real interests of the country; for instance, the concessionaire considers it necessary to stop the building of any line in his vicinity, *particularly parallel lines*, and sometimes feeder lines, if contracted for by other parties. Moreover, the sphere of influence is still a cherished doctrine among the diplomatic fraternity, that the invasion of a given sphere of interest by a contractor of a rival nationality is a local *casus belli* which is fought out bitterly in the *coulisses* of the various ministries and throughout the Far Eastern press. Asia Minor could hardly provide a more brilliantly tinted map than the present railway map of China when coloured according to the nation-

¹ Putnam Weale, *op. cit.*

terranean state but the whole of Europe. The early Greeks, Romans, like the Hans, Sung and Mings, were only parts of contiguous tribal masses. Only their special identities disappeared, or "fell." Archæological discoveries in China in the second and third decades have completely overthrown the classic-similes. It is no longer true to say that the Chinese invented, during some fictitious zenith, every social, political, and mechanical device that has appeared in Chinese garb, either in China or abroad. A large majority are merely adaptations. They seemed original only because Renaissance Europe had either forgotten, or had no complete record of its own antecedents. As far as is known, gunpowder, paper, compass, tea, printing, silk may be original Chinese inventions; most other things called Chinese "inventions" were importations. There is doubt about the compass, for their name for it was "south-pointing needle," which indicates poor understanding of its principles. Possibly it was a re-invention of an earlier instrument. Nevertheless, whether inventions or copies, these things bore the stamp of Chinese genius for adaptability, and were Sinianised enough, when thrown back ages later into an impressionable Europe, to pass as original ideas.

Among the earliest paleolithic remains are polychrome potteries common to cultures as far apart as Manchuria, Mesopotamia, Kansu, Persia, Turkestan, and South Russia. These and other discoveries point to the probability that the Hsia dynasty—2205-1766 B.C.—had a culture common to Central Asia

ality of each concessionnaire group. There is consequently not complete unity in Chinese railways, either in administration or finance; and while nominally the Ministry of Communications is in control, in practice a centralized government control is still unrealisable."

The Powers, furthermore, forced China to sign non-alienation pacts, perhaps the most remarkably stupid international documents known. China was bound never to "cede or alienate" any parts of the country adjacent to, or bordering upon, their particular spheres. How they could expect China to prevent one or all of them from grabbing adjacent territories when she could not stop them, in the first place, from grabbing the spheres they already held, was one of those peculiar problems, for which no words are adequate, and from which Pan-Asianism draws its strength. Consequently, when Mr. Matsuoka, embittered by the League's adverse vote, flung back the gibe: "Let him who is without sin among you cast the first stone," he was very close to the bedrock of moralities in Sino-foreign railway relations.

Where China might have had, from 1860 onwards, many thousands of miles of commercially sound railways, she had as late as 1915, almost a century after their invention, a mere 4,500 miles of largely strategic, water-duplicating, lines, costing her a capital sum of more than ten thousand pounds a mile. If the Manchurian lines were included, she had about 6,000 miles at a capital cost of some thirteen thousand pounds a mile. Some nations put up their own capital, especially for the C.E.R. and S.M.R., taking it back out of

earnings, but China's bonded debt, bearing the usual five per cent, for all lines south of the Great Wall, was, in 1915, about thirty-four million pounds. The total mileage in 1934 was only 8,000, with the debt proportionately larger; still, of course, including the Manchurian mileage.

The present writer's term, "water-duplicating," might be questioned in theory, but practice in China trading is the answer. Shanghai foreign agents, until the fourth decade, re-distributed or re-routed the bulk of China treaty port cargoes. Ocean steamers unloaded at Shanghai, and coast and river steamers re-loaded for Tientsin, 700 miles north, Hankow, 600 miles up the Yangtze, and for Ningpo, Hangchow and farther south. Except for shipments of small lots to way-stations—cigarettes and petrol—the railways from Shanghai to Nanking—thence over to Pukow to join with the Tientsin-Pukow line—were shut out for imports or exports. Likewise, smaller ocean ships arriving direct at Taku Bar, outside Tientsin, unloaded cargo that was re-shipped in smaller vessels for Newchwang, Dairen and elsewhere. Whenever Tientsin was ice-bound in winter, the ocean ships cut out the trip altogether and unloaded at Shanghai. They could have in most instances unloaded at Chinwangtao, 150 miles north on the coast, and transhipped into Peking-Mukden Railway freight trucks, and thus reached Tientsin by rail. But foreign importers refused to pay the added railway charges. They did not mind paying lighterage for thirty-five miles from Taku Bar to Tientsin, because

many of them jointly owned shares in the lighter company, and because the lighter charges were somewhat less. However, two British, one German, and several Japanese shipping companies, enjoying river and coastal trading rights that would be denied by any other country in the world, freighted all cargoes by sea or river, just as the Chinese, themselves, had done for thousands of years.

These Shanghai, and their Tientsin branch office, traders were not only merchants and agents; they were multiple ship-owners, agents, merchants, and manufacturers—Jardine Matheson, Butterfield & Swire, Nippon Yusen Kaisha, Nisshen Kissen Kaisha, Osaka Shosen Kaisha—manipulating all branch interests in co-operation for their own particular benefit. They had no financial interest in railways, and not only ignored them, but also worked against them, as competitors. They offered lower freight and passenger tariffs, going so far as to establish a Conference whereby tickets were interchangeable for return journeys by any ship belonging to the Conference firms. They looked upon railways as a challenge to their vested interests; quite understandable in a competitive system. Whenever civil war blocked the Tientsin-Pukow, or Peking-Mukden, lines, passenger demand for steamer passage increased on their coastal services. Passengers for Europe, usually going north by rail over the T.P.R. from Shanghai, or the P.M.R. from Peking and Tientsin, were obliged to travel by Japanese ships—as the present writer was several times—to Dairen and proceed over the S.M.R.

line to Changchun. Diverted from rail to steamer this traffic naturally swelled the steamship companies' profits.

In these and other ways, the foreign merchant-shipping combines fought against the railway interests. Consequently, when critics in the West observe that Chinese fight one another and blame the foreigners, it would be just as well to note that foreign interests fought foreign interests, and blamed the Chinese. There was no question of cavilling at this; after all, they operated under the universal competitive system. Coupon-collectors in London do not want excuses; they want dividends, whether from railways or shipping makes not the slightest difference.

The same thing affects railways by the way issue banks take toll upon the turnover of every railway or other loan. Each loan is carefully made as a "gold loan," but the credits are paid over to China in silver currency at prevailing rates of exchange between silver and gold in the world markets. It looks simple enough, but banks have to look ahead when transferring large sums of money, safeguarding against drops or rises in exchange rates. They would not be looking after their own shareholders if they did not play safe. Again, when they pay dividends, in behalf of Chinese Government services, to bondholders in London or elsewhere, they play safe again. By legal arrangement, they hold the Chinese Government's Customs revenues, various parts of which are ear-marked for loan services, which are paid before the Chinese get the balance.

They are, therefore, as responsible to the Chinese Government as they are to their own shareholders, and are bound to add anything up to five per cent on each transaction to cover their operating, overhead expenses, plus commissions and honorariums for difficult negotiations.

In order to save much of this unavoidable loss in the two-way transfer of gold into silver and back again, the Nationalist Government of China instituted a gold-revenue unit for the payment of Customs duties. From then onwards, the banks received gold, or its equivalent in silver; and, as gold, it was credited to China without loss by exchange. The foreign banks were spared a great deal of trouble, anxiety and overhead expense. Railway financial operations were also spared the same liabilities, but only to a moderate degree.

CHAPTER XIII

THE TWENTY-ONE DEMANDS

JAPAN's policy of either destroying or controlling China's military machine began in earnest the moment Europe went to war in 1914. A Japanese-led Pan-Asianism was obviously impossible without one or the other. With the Powers behind her old enemy Yuan Shih-kai, she was lucky to prevent the 1913 Reorganization Loan from being spent in Manchuria. But apart from that she had no choice but to fall in with the Powers' policy of treating China as a united country. What might have been the destiny of her Monroeism in the spring of 1914 remains speculative. In mid-summer the world spun on its heel and turned back the clock. The Western nations went to war, and left the Far Eastern field wide open to Japan.

Nothing conceivable could have fitted in so completely as the Great War did with Japan's aims in Manchuria and China. The war was to be over in "three months," so Japan stayed her hand. But as the fight dragged on—"three years," so Kitchener said—her path became clearer. Kitchener had been in Japan and China a few years before, and had made a deep impression. The present writer was a Volunteer in Shanghai when Kitchener reviewed the S.V.C. The

Great War had been going on only six months, when Baron Tanaka—author of the mythical Memorial—presented Yuan Shih-kai on 18th January, 1915, with the Twenty-One Demands.

Germany at that time still held Tsingtao, with its magnificent and well-fortified harbour, the best laid-out Concession in China, and 270 miles of railway due west to Tsinanfu, on the Tientsin-Pukow Railway. Japan had a score to settle with Germany over the Liaotung affair, and she was afraid that China would declare war on Germany and get back her sphere of interest direct. Japan wanted that sphere for herself. It was another going concern, just as Dairen and the S.M.R. were when Japan took them over in 1905. The efficient, painstaking Germans had constructed a splendid town, harbour facilities and docks, just as another able German, Major von Hanneken, had built the almost impregnable Port Arthur fortresses for the Chinese in 1886. Japan admired German handiwork, having followed the Prussian military system in her own army.

Japan sent a hasty ultimatum to Germany on 15th August, 1914, demanding surrender of Tsingtao, and at the same time warned Peking to mind its own business while Japan attended to matters. Japan captured Tsingtao on 7th November, 1914, after a siege during which about six thousand Germans had held off the combined fleet and armies of Japan for nearly three months. A howitzer shell that landed luckily square on the main concealed fort put an end to a siege that might otherwise have lasted several

more months. The defence was an epic which never received due recognition outside Germany.

The Twenty-One Demands, in five groups, included one obliging China to recognise in advance whatever disposition Japan might make with Germany about Tsingtao and the whole Shantung sphere of interest. The second group demanded that the Liaotung Peninsula and Manchurian railway leases be extended from 25 to 99 years. The third that Japan be given controlling interest in the Hanyang Ironworks at Hankow. This concern worked a "hill of iron ore" at Tayeh, on the Yangtze, said by others to "give 65 per cent of pure metal, was three miles long by 400 feet high, and would turn out 700 tons of ore a day for a thousand years." The fourth group demanded that China should not cede or lease to any other Power any ports, bays, or islands on the coast of China. This demand actually repeated for the whole of China what the Russians tried to get in Manchuria alone, and to prevent which the Open Door was set up. These four demands were published, but Group Five, the stiffest of the lot, and comprising Japan's methods for controlling China's military machine, was suppressed. Group Five demanded that China employ "influential Japanese" as advisers in political, financial, and military affairs. Second, that all Japanese hospitals, temples and schools in China should have the right to own landed property. This apparently simple demand had a far wider significance. It so happened that China had never abrogated her law that only Chinese subjects could own land outright. The various Concessions

wrung from her by the Powers were leaseholds, not freeholds. Manchuria and the hundreds of thousands of Korean refugees and colonists were the real basis of this demand. China had allowed Koreans to own freehold only when they became naturalized Chinese subjects. Japan strongly objected to Koreans, Japanese "subjects" by annexation, becoming Chinese citizens. This demand, therefore, for the right of freehold would be the thin edge of a wedge which would be driven in later. Freehold in Manchuria would attract Japanese and Korean "colonists," leasehold would not. It would also prevent Japanese subjects from losing their nationality to China. After Japan's occupation of Manchuria in 1931, she forced the new puppet State to abrogate the law.

The third article of Group Five demanded that China appoint Japanese police at "important localities," and at the same time reduce the number of Chinese police. The fourth demanded that China buy most of her munitions of war from Japan, or else establish a Sino-Japanese arsenal, and employ Japanese experts to build and work it. Article five demanded the right to build a railway from Wuchang (opposite Hankow and the Hanyang Ironworks) to Kiukiang and Nanchang in Kiangsi Province; another line between Nanchang and Hangchow, on the coast south of Shanghai, and a third between Nanchang and Chaochow. Needless to say, these lines in the Yangtze Valley would have infringed British treaty rights, and overthrown those non-alienation pacts.

The sixth article demanded that if China needed

capital for mines, railways and harbour construction in Fukien Province she must first consult with Japan. The seventh, and last, article was particularly significant when viewed in the light of Pan-Asianist tendencies. It demanded that China recognize the right of Japanese subjects to propagate religion in China. Obviously, the more religious temples, the more freeholds, but as the Chinese commented, the religions of the two countries were identical, and there was no need to propagate a Japanese religion. Japan did not state what religion she proposed to spread. The Chinese foresaw local quarrels between Japanese and Chinese sects having the same beliefs, and the impossibility to distinguish between individuals of similar dress and characteristics if they came to blows. China suspected, as recently proved in other fields, that the Japanese "missionaries" would spread political propaganda under cover of their churches.

The seven demands of Group Five remained suppressed until, through a leakage between the Chinese Cabinet and the American Legation, an American journalist got hold of their text and cabled it to the world. European chancelleries were disturbed. Yuan Shih-kai found even his radical Chinese enemies rallying to his support. Within three months, Japan issued, on 7th May, 1915, an ultimatum, expiring on 9th May, demanding China's acceptance of all, and a modification of Group Five. She claimed that her demands did not conflict with the sovereignty of China, or treaties between China and the Powers, and that she would do nothing without the consent of those Powers.

and Eastern Europe. Chariot fighting, cowrie shell money, in the succeeding Shang dynasty—1766-1123 B.C.—contemporary with Crete, Moses, and the Trojan Wars, were only two of the many external influences. The Chinese calendar, divination, hieroglyphic writing, and dating by cycle of sixty in combinations of twelve and ten, came from Mesopotamia. The seven-day week indicates Babylonian influence, while practically the entire Chinese astronomical system of time and subdivisions, prior to modern practice, had common origin with Arabia, Persia, and India. Rice is regarded as essentially Chinese, but both rice and the water-buffalo powered agricultural farming were imported from India, along with the domestic fowl.

Glass-making came from Parthia, while such diverse things as the Bactrian horse, grapes, algebra, mathematics, lucerne were also imported into China. The introduction of Buddhism from India is responsible for the general pacifist beliefs and the low status held by women until recent years. Egyptian medical practice, after passing into Greece, filtered thence into China, as evidenced by various pills and remedies written into the Pengtsao, or Chinese *Materia Medica*. The first Chinese effort at map-making was copied from the Greek system of squares.

Chinese silks were known in Alexandria as early as the third century B.C., where they were bartered for Egyptian metal manufactures. Europe knows very little of these contacts and others across the Roof of the World—the Tien Shan and Tarim Valley routes

This habit of solemnly calling black white was inevitable in her dual policy, but it did not deceive the United States. Washington stepped in with a Note declining to recognize any agreement "impairing the treaty rights of the U.S. and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy relative to China commonly known as the Open Door Policy." As usual, however, the Note, sent on 11th May, was not further backed up, and China was obliged to sign the modified Demands on 25th May. Japan did not get all she wanted and it is possible that she, like other Orientals, pressed for much while prepared to accept less, on the principle of the widening wedge.

Japan got China's approval in Shantung, subject to modifications. She received the 99 years lease of Liaotung and the S.M.R.; freedom to lease, but not freehold purchase, in Manchuria, and to trade and travel, subject to Chinese laws, police regulations and taxes. China agreed to Japanese judges trying Japanese subjects on criminal and civil charges until Chinese courts were competent. Group Five practically fell through, while Hanyang Ironworks, and Yangtze Valley railways were left for "separate" treatment.

Yuan Shih-kai proceeded with his monarchical schemes. Certain scholars were advocating a return to Constitutional Monarchy, and an American adviser to the Chinese Government, Professor Goodnow, agreed that such a system was "better suited to China than a Republican system," much to the astonishment of his countrymen. Japan gained the support of Britain

and Russia in warning Yuan against his scheme, but the Chinese, themselves, put an end to it. General Tsai Ao, escaping from Peking in dramatic circumstances, reached Yunnan and started a rebellion that spread like wildfire throughout the south. The Coronation, fixed for 1st January, 1916, was postponed. In March, 1916, he renounced his claim to the throne, and in June he died—some say of a broken heart, others say poison.

From the moment he died, Japan drastically altered her policy. The Great War was still on; in fact, the end seemed farther than ever. Japan saw her chance to improve her standing with the Allies and thus strengthen her claims in China and Manchuria, so she thought. When the fortunes of the Allies were at their lowest ebb, Japan asked to assist in the Mediterranean and Mesopotamia, provided she was given a free hand in the Dutch East Indies and Borneo. By another secret pact she was permitted to take the Marshall and Caroline Islands, a step later legalized by a Mandate. Upon quitting the League in 1932, she announced her intention to keep them, and no voice was raised in protest. Japan invokes no censure on her juggling with secret pacts during the war; for hers were not the only underhand deals, even though others may have done more in the Allied cause to deserve them. Japan had several tempting offers early in the game to throw in her lot with the Central Powers.

When Yuan died the dual policy became more pronounced. Japan nominally associated with the Diplomatic Corps, but behind the scenes allied with

Chinese Warlords to corrupt both them and their puppet politicians. One clique, the Anfu Party, already noted, was the most amenable. These Chinese were not fools; they were well aware of Japanese designs, but they hoped to play Japan against the Southern Revolution, make hay while the sun shone, and leave sweeping up the mess to the stiffest broom. One Warlord after another, one clique after another, rode the tiger while the riding was profitable. To a certain extent they succeeded, but only at the expense of their own countrymen, who were caught in a wallow of barbarous militarism, ruinous pillage and rape of the countryside.

China has had a long history replete with many glorious epochs, thrilling heroism, marvellous courage and sacrifice. She has had also periods of dishonour, intrigue and treachery, just as grace or disgrace the annals of Western nations, but her future historians who look back on the Warlord epoch between 1912 and 1927 may well be forgiven if they shrink from the task of writing it. Japanese money and corrupt Chinese militarists instituted a reign of terror wherever their press-ganged levies marched, stripping the farms like a plague of locusts wherever they camped. Their battles were comic opera, but their economic depredations a national tragedy. When various "marshals" were bribed or bluffed into "defeats," they absconded with their paymasters, and left hundreds of thousands of penniless soldiers to scrounge for food. The fearful story of banditry and kidnapping that followed in the wake of this flattering named "civil war" must be

laid, by any honest historian, East or West, at the door of these inglorious chieftains and the financiers who corrupted them.

When this bribery bargain sale was at its height Japan made dozens of secret agreements with various fly-by-night Cabinets, Premiers and Presidents. She made altogether 29 secret loans totalling 246,400,000 yen, or roughly, 30,000,000 pounds sterling. Some of the larger sums were such as twenty million yen to a rebel group in Hunan; thirty million to get rights to exploit the "Ocean of Trees" at Kirin in Manchuria; forty million for Manchurian and Mongolian railways to be built by Chinese, but, as noted, since taken over by the S.M.R. Company; twenty million for a military agreement loan; thirty million for another timber concession, called the Okura Forestry Loan; three million for a wireless station; three million for the Yu Kan iron mines in Kiangsi. In addition, there were various sums for seemingly innocuous purposes, such as the Second Reorganization Loan, the Bank of Communications Loan, and the Bureau of Printing Loan, sums largely used to replace sums already drawn from, or to be collected by, those institutions. One loan of fourteen million was for the outright purchase of arms, and another of one million to the Governor of Chihli "for military purposes."

On the Chinese side they were signed by a number of Chinese "generals" and their "treasurers" under the imprimatur of the "Central Government" of China. On the Japanese side they were signed by Nishihara, a private negotiator, Dr. Kobayashi, Ichiki, Shinno,

Shoda and others connected in various ways with the finance department in Tokyo. Nine of them were officially decorated by the Japanese Government in recognition of "the services rendered with regard to loans to China." A number of Orders were also conferred on several military officers, also "in recognition of the service rendered in connection with the conclusion of the Sino-Japanese Military Agreement." All of these loans were made between 1916 and 1920, the worst four years of the Warlord regime.

The Military Agreement mentioned was part of the general scheme to get control of China's military establishment, and at the same time put China so deeply in debt to Japan that she could dictate political and economic affairs. It was a piecemeal process which might have had greater success if the corrupt Warlords had not possessed a streak of that patriotism common to all Chinese, however guilty of treachery they might be. Furthermore, some Chinese were sincerely of the opinion that a Republic was unsuitable, and that Japan, as a Monarchy, was the only Power that could help them destroy the rising democracy. Kang Yu-wei, the reformer, as one instance, supported the notorious General Chang Hsun and his pig-tailed troops in the abortive attempt to restore the Boy-Emperor in July, 1917. Nevertheless, revealing how politics get mixed in China, the pro-Japanese Anfu leader, General Tuan Chi-jui, and an anti-Japanese Republican, General Feng Yu-hsiang, marched on Peking and defeated the plan. The Dynasty of a Fortnight was squashed.

Allied propaganda to get China to declare war on

the Central Powers intensified in 1916 and 1917. She had consented to despatch a Labour Corps, but disliked having Germany as an enemy. Japan became nervous that such a declaration would oblige the Allies to back China against Japan in the final settlement of German spheres of interest, and the Twenty-One Demands. Japan intrigued against China's entry, but when it became inevitable, Viscount Ishii went to Washington and induced Secretary Lansing to write the astonishing Lansing-Ishii Notes. Lansing had written: "The governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and consequently, the government of the United States recognizes that Japan has special interests in China, particularly in that part to which her possessions are contiguous." Propinquity was a self-evident proposition, but no one had thought of pleading that for Russia, and as for "interests in China," other Powers had far more than Japan both then and afterwards; established for a century before Japan came out of her shell. The Lansing-Ishii Notes were later given a quiet burial.

That episode was in April, 1917, and on 14th August China declared war on Germany and Austria. Various foreign advisers, including Dr. G. E. Morrison, former *Times* correspondent, and Dr. J. C. Ferguson, an American, had brought pressure on China. The United States counselled against more than breaking off negotiations, but the plain bribery of the prospects dangled before the Chinese Cabinet—cancelled German Boxer indemnity, confiscation of German property,

reversion of German Concessions and railways, and abolition of German and Austrian extraterritoriality—was too tempting. It was also whispered that her elevated status would give China greater bargaining power against Japanese aggression in Shantung, an entirely false hope, and her eventual failure to get that whisper confirmed at Versailles was put down to Western treachery; still another link in the chain of Pan-Asianism.

Japan increased her pressure on Chinese Warlords as soon as Ishii had Lansing's letter in his pocket. China had created a special military department, called the War Participation Bureau, to take care of her obligations to the Allies. Essentially it was just another group of the same Warlords in charge of several divisions. Rumour said an Expeditionary Army to France was planned, but it was just the old anti-revolutionary objective in a new guise.

Ishii had informed the Allies, late in 1916, well in advance of the expected participation of China, of Japan's objections. His Note so ably demonstrates Japan's long struggle to keep China down while she herself climbed to power, that it deserves prominence. It read:

“Japan could not regard with equanimity the organization of an efficient Chinese army, for active participation in the war, nor fail to regard with uneasiness a liberation of the economic activities of a nation of four hundred million.”

This Note was remarkable for its frankness, but it

was correct Japanese policy. Nevertheless, unable to prevent the formation of the rumoured army, Japan was determined to take charge of it. France made an offer to finance a Chinese Expeditionary Force, but again Japan quashed it.

The United States in the meantime was gaining influence at Peking through an able and sympathetic Minister, Paul Reinsch. Japan was afraid at one stage that China would enter the war as a protégé of the U.S.A., thus losing her goal after being within measurable distance of reaching it. Then Japan determined to beat the Allies at their own game—bribery. She was going to match them gift for gift, loan for loan, gesture for gesture. To this end, Japan sent early in February, 1917, the famous negotiator, K. Nishihara, with a private message to the Allied Ministers in Peking. He carried a long memorandum of suggestions designed to enhance Japan's prestige in China if they agreed. One was to postpone for three years all Boxer Indemnity payments, cancelling the German part outright. Others were that China be allowed to collect a full five per cent duty on raw materials, and seven and a half on manufactures. Exports of raw materials like iron, iron ore, cotton and wool were to go free! The mention of a free export for iron and iron ore was naive, for Japan particularly wanted such things from China and Manchuria.

The gesture failed principally because Chinese Warlords had bigger and better terms they hoped to wring from the Allies, without letting Japan have raw materials free of duty. They wanted a ten years'

postponement of the Boxer Indemnity and a full effective tariff of twelve per cent. They also wanted all treaties revised on the basis of complete equality. Diplomatic relations with Germany were severed on 14th March, and there followed an unseemly sequestration of German ships, property and Concessions. After war was declared in August, the repatriation, internment, confiscation, dismissal and treatment of German property and persons amounted to a looting expedition. It was another brief page in Chinese history, doubtless in keeping with the general lapse of morality which characterized those sordid years, that may be difficult to record.

Neither the Chinese nor the Allies had any reason to be proud of this exhibition of highhandedness by one Power against another, which had not committed against the one any crime commensurate with the punishment. Certainly, if the Western Powers cherished any hope of maintaining the supremacy and dignity of Nordic whites in China and the Orient generally, about the worst possible thing they could have done to damn those ideals was to set one—in reality, two—Oriental nations against two of their own Western States.

In these circumstances, the deal could not be expected to do China much good. China sank lower and lower politically and financially in the welter of corrupt militarism. Japanese intrigue was redoubled. She signed, in May, 1918, an agreement with the War Participation Bureau, stipulating that Chinese and Japanese forces, needed to check the possible advance

of Russo-German troops through Siberia—a bogey following Russia's collapse—should be led by Japanese officers. Another pact was signed a few days later on combined naval defences, and still another in September supplementing the military agreement. These agreements remained in force, although secret, until laid by Japanese before the Versailles Conference. Suspicion of their existence and import, as noted, led to the Student Demonstrations of 1919 and later.

Most of the Nishihara loans were negotiated also during 1918, and most of the English language newspapers, editors and correspondents of both the British and Chinese press were subsidized by Japan. Large monthly sums paid in a roundabout fashion through “influential Japanese” residents and officials reached a score or more accessible journalists for some years, before and since. One or two firmly refused naked bribes, but they were glad to accept financial help on a “strictly business basis”—that is, many pages of useless advertisements, or ordinary loans. It was because of this purchased friendliness that the world learned so very little of what went on in China during the Great War, and for some years afterwards.

now almost dried up. Among the little that is known of the Parthians and other tribes of the Iran plateau is their shrewd commercialism and their functions as middlemen merchants between China and Eastern Europe. Silk was popular with the women of Rome, which sent three small embassies to China in 166, 220, and 284 A.D., the last by Diocletian.

However, from the birth of Christ onwards historians appear to have been largely preoccupied with the stories of Christianity, Rome, the Holy Roman Empire, the Crusades and other local religious feuds. They have told and re-told these stories so often and filled such a vast amount of library space that an auto-hypnotised European culture may be excused for its lopsided view of what it chooses to call the History of the World.

It was not until the thirteenth century that Europe began to look East again, and then only from naive curiosity in Marco Polo's equally naive story. Inasmuch as most general knowledge was confined to the manuscripts of priest scribes of the Roman Catholic Church, it is not surprising that Jesuits, Franciscans, and other friars, began the first serious West to East penetration since the lost Nestorians of Assyria sought refuge in China a thousand years earlier. But even then it was not until long after the "invention of printing" in Europe by Fust, Gutenberg and Caxton in the middle of the fifteenth century, that the fruits of this belated contact, including the Polo's story, spread throughout Europe.

Since that time, European historians have been

CHAPTER XIV

MANCHURIA AND THE CHINESE EASTERN RAILWAY

THE cardboard dynasty set up in Manchukuo completed a cycle of about three hundred years. Shun Chih, the first Manchu emperor, was born in 1638 in Manchuria, taking the Dragon Throne of China in 1644 with the dynastic title Ching. In 1934, the last of the Ching emperors, Hsuan Tung, familiarly known as Pu Yi, or the Boy-Emperor, was back in his native land as Emperor Kang Teh of a new Manchu dynasty. His palaces were erected at Changchun, formerly Kwangchentze, and the place given a new name, Hsin-king, which in Chinese means New Capital. This name may or may not have a subtle inference, as nomenclature does in the Oriental mind, but it suggests that the same old firm merely has a new location, a "New Capital," to distinguish it from the last one, Peking, China's "North Capital," and more up-to-date than Nanking, the Chinese Republican "Southern Capital." The old Manchu Tartar dynasty began near Mukden, which, as noted, was informally called the "Second Capital" while the Manchus were at Peking. Whatever the intended inferences as to name, there was a more obvious inference that history would repeat itself, and that China was destined once again to be victim of a Northern Manchu Tartar expansion, unless Pan-Asian-

ism succeeded in voluntarily welding all Asiatic races.

However, in her efforts to reconcile the dual policies of Monroe-ism and Meiji-ism, Japan usually announced her intention to do something by denying it in advance. Through *The Times* correspondent in Tokyo "high Japanese authorities" intimated early in 1934 that "Fears of absorption of North China are groundless. If Mr. Pu should become emperor of China he would cease to be ruler of Manchukuo because the essential aim of Japanese policy is to keep Manchukuo separate from China." This separatist policy began, as noted, some time before the 1913 Reorganization Loan reservations. But the same correspondent continues in the very next sentence, "As restoration of the Ching dynasty could not be accomplished without Japan's military assistance, the Japanese believe that it need not be regarded as a likely event."¹

That, in Japanese language, looked like a promise deferred until her military plans were ready. But at this point, the question of the new Manchu dynasty and its sponsors' intentions must be left to a later chapter. To understand Japan's dual programme it becomes advisable to look back for evidence of continuity of purpose arising from historical and traditional antipathies. Japan invented many provocations to salve the consciences of her Western friends, but she also had provocations of a genuine character, which were unintelligible to friends and foes alike.

Following the 1931 occupation of Manchuria, the bombardment of Shanghai, and the close advance of

¹ *The Times*, 10th January, 1934; cabled Tokyo correspondence of 9th January.

Peiping after the capture of Jehol, Japanese bombing planes circled over several towns in North China and dropped thousands of leaflets. Among other things, these leaflets exhorted the Chinese populace to "welcome the Japanese as blood-brothers come to rid them of White Men's domination." Unexpected publicity made the Japanese drop this spectacular method, but the propaganda continued quietly. Those messages were the essence of Pan-Asianism, and the only way to reconcile the denial of absorbing China with the leaflets' exhortation is to bear in mind that Meiji-ism was the policy of the Japanese High Command, whereas Monroe-ism was the policy of Japanese statesmen, publicists and officials abroad whose duty it was to explain, or square facts with theory for the edification of nervous Western onlookers.

In a very brief historical perspective, it may be noted that three great migrations have swept back and forth across Asia and Europe during the Christian era. The Huns marched West in the fourth century. They subjugated the Goths, and under Attila, the "Scourge of God," helped to lay waste the Roman Empire. Mongol hordes under Genghiz Khan repeated in the twelfth century, remaining overlords of Russia about 240 years, or until about the time America was discovered. It is not improbable that the discovery of the American continent prevented an awakening Europe from making a much earlier Eastward thrust. The long struggle on the Spanish Main for the fabulous gold of the Incas, Mexicans, Aztecs had a bearing on China and Japan's centuries of detachment from the world.

The eastward push, or Third Migration, developed in the late fifteenth century when it began to dawn upon buccaneer adventurers that the great Pacific Ocean, pathway to the mythical Indies and magical Cathay, lay beyond the American continent, and as proved by Vasco da Gama, might be reached the other way round. The White Horde moved east. Russia marched relentlessly, with penal settlements at first, over Siberian wastes, through dense forests and frozen wilderness to the North Pacific. They established Vladivostok in the middle of the nineteenth century, and by 1902 had thrown a steel road across half the world. White Hordes went by sea routes as well; Dutch, Spanish, Portuguese and British pirate-traders ploughed the Chinese Main, sacking the sea-coast towns and "capturing" ports and islands. The Spaniards annexed the Philippines, Dutch took Formosa, Portuguese captured Goa in India and Macao in China. The British got India, Hong-Kong, Burma and the Malay States. Java, Sumatra, Borneo, Assam, Tonkin all went under White domination in the headlong rush.

By the end of the nineteenth century, the White Horde had reduced the once powerful domains of the Khans to practical vassalage. They failed to agree on partitioning the huge mass of China for colonization, but divided it into spheres of interest. They grabbed all the best seaports, harbours, rivers and mines; built cities, mills, docks and exploited the cheap labour and materials. The new El Dorado was so similar to its immediate predecessor, the Spanish Main, that its currency for nearly two centuries consisted of Carolus

dollars, Spanish doubloons and Mexican dollars. The "Christian" White Horde's revenge for Attila, Genghiz and Tamerlane was belated but fairly complete.

Japan escaped the full force of this invasion for two reasons, one because her islands were just beyond effective range and not reputed to be wealthy, the other because her warlike clans quickly rose to repel the stragglers. Many of the earliest contacts were accidental—Spaniards, Portuguese and Dutch wrecked on her coast while snooping about. The famous William Adams, of Gillingham, Kent, arrived in this way. He managed to get the ear of a Shogun and between them they started the nucleus of Japan's merchant marine. But, as noted in a previous chapter, Japan shut herself up after the early contacts for over two centuries. Her emergence was the result of the White Horde's increased pressure—bombardment of her ports by American, British, French men-o'-war—and her central purpose from that rude awakening onwards was to roll back the Third Migration.

In the twentieth century of sensitive economic relations, with dense populations organized and tied down to each national machine, mass migrations may no longer be possible. There might not be a swing back of the pendulum as far as peoples were concerned, but the Fourth Migration seemed destined to become an economic strategy—fleets of ships, flights of airplanes, miles of roads and railways, loaded, not with Yellow Hordes to swarm "black on the Alps," but with the Yellow Horde's industrial products and manufactures to lie bulging in the shop windows of the entire world.

Penny pens, and penny lawn tennis balls might become mightier weapons than all the armaments the West could scrape together.

Viewed in this light, whatever Japan was doing, and would do, to turn back the land and sea thrusts through Siberia and Singapore, there was justice in Matsuoka's taunt at Geneva. Japan was doing no more than; in fact, not yet as much as, the White Horde did or tried to do. As with other nations, her struggle began out of fear, but developed momentum out of commitments, pride and arrogance. One might question Japan's honesty of statesmanship, but there can be no question of her honesty of purpose. The West could not hope to make and sell its armaments and machinery to the East at a high profit, and then expect the East not to use them logically in the world struggle for economic survival.

Nothing could prevent the Fourth Migration from endangering the existence of its former Western exploiters, except a cataclysmic alteration in the economic system of the West. Putting all doctrinaire 'isms to one side, the new problem was to obtain a closer relation between the living standards of people everywhere, East or West. The problem was not so much wages and bare living costs, but more a question of the cost of various civilized standards of living. National standards would have to be examined, as the mechanical efficiency of motor cars was considered, on their mileage per gallon. How far could a nation go on a gallon of gold? Britain ran for a year at fifteen pounds a head for each inhabitant; China, with six

shillings a head each year could run for fifty years for the cost of Britain's one year. The Chinese, at his "lower standard of living," was happy; the Briton, at his higher standard, was unhappy and wanting still higher standards. Japanese were somewhere in between with steadily rising standards, but just as well-nourished and happy as the Chinese. Critics talked solemnly of damming the tide of Japanese exports to the West. We Westerners admit we did the same thing to your handicrafts in the eighteenth and nineteenth centuries, said the critics, but this is the twentieth century, and Japan must not cause us any economic suffering. Britain began to clap quotas on the Empire imports; Americans talked of boycotts and tariffs.

The yesterday - was - yesterday, to-day - is - to-day, pleading was entirely one-sided. The Japanese, and Chinese, for that matter, could ask pointedly: what shall we do with the machines you sold us, the ships we bought, the battleships, guns and other armaments? What shall we do with the millions of our peoples who have become industrial workers, who must go on producing for export in order to buy food to eat? How shall we pay back the money you loaned us, and the interest every year, unless we send you the equivalent in manufactured goods? Lancashire, Birmingham, Bradford and other centres had talked glibly for many years of rationalization, reorganization, and other multi-syllable plans, but while they talked they loftily ignored the demands of world markets to make what the markets wanted, and not what British makers thought they should have. Fifty gallon dyeing vats

would have kept Bradford woollen yarns on top in the China markets, but they stuck to three hundred gallon vats and slumped.

However, it was not unreasonable to picture Russia—bogey as a Monarchy, pariah as a Soviet—in the fourth decade as the possible future Western European champion, economic *fidei defensor*, stemming the yellow tide, maintaining a policy, popular with Westerners in the West, but unpopular with the West when applied in the East, of the Closed Door, and, moreover, keeping it Closed to one of the very Powers in whose interests Russia was formerly forced by other Powers to maintain an Open Door.

Manchuria was the spearhead of Russia's land thrust; her policy in the nineteenth century, for want of a better name, was called "Conquest by Railways." In view of the doubts since raised for obvious reasons, it should be noted that Russia negotiated direct with Peking to obtain her rights for railways in Manchuria. There was no doubt then, in the last, mauve, decade, who was sovereign. Russian diplomats, given to bluff of various sorts, never once raised the question; nor was it raised in any Russian treaty from the sixteenth century onwards. Manchuria, in the mid-nineteenth century, stood square across the direct path of the Trans-Siberian overland routes to the Pacific.

Looking at the map, Manchuria presents, somewhat significantly, the head and shoulder profile of a typical English fireman facing west. The helmet projects into Russian Siberia, outlined sharply by the winding Amur river. Siberia surrounds the helmet from the peak at

Manchuli, the border town on the C.E.R., right around to the coat collar at Vladivostok. Just below that port, the profile is cut off along the coat lapel by the Korean border and the Yalu river down to Antung. To the west of that is the Liaotung peninsula, with Dairen and Port Arthur at its lower tip. The face, with further imagination, looks out on Mongolia at eye level, then Inner Mongolia below, with Jehol¹ as a fluffy beard, resting on the Great Wall of China.

Manchuria is roughly, taking the crooked shape into consideration, about nine hundred miles north to south, and about the same east to west. Its area is 365,700 square miles, approximately six times the size of England and Wales. Two mountain chains—one, the Ching An, running from the beard almost to the helmet's crown, the other, the Ever-White Mountains, across the shoulders—cause the principal rivers, the Sungari and its tributaries, the Nonni and Mutan, to run north-east towards the back of the helmet, where the Sungari enters the Amur at Habarovsk.

The names, Manchuria, Mongolia, Tartars, Manchus, Mongols, are variously abused by Western critics, and thereby confuse the issues. Manchuria contained many different tribes, and is loosely used when called the "home of the Manchus." The original Tartar-Manchus lived in a small district thirty miles east of Mukden. The original Mongols—the name meaning simply "brave men"—were another small tribe that

¹ Jehol, pronounced "Gee-holl," would not be understood in the Far East. The nearest phonetic form suitable for Anglo-Saxon tongues is "Rer-her," as in the feminine pronoun.

lived near the north-west corner of Manchuria, under the helmet's peak. There were other tribes—Tungusic, Buriat—whose origins are shrouded in the past. The name Tartar, in Chinese, "Ta Ta Erh," is loosely applied to tribes inhabiting Central Asia as well as to the Manchus.

"The main body of the Golden Horde," says an authority, deriving information from various sources, "which invaded Europe in the middle thirteenth century under Batu Khan, was Turkish, and only the leaders were Mongol. The latter alone were Tartar, but Europeans gave the name to the whole army, so that Turk and Tartar became synonymous. Thus 'Tartary' was used as the name for Turkestan and neighbouring countries. But the Turkish tribes do not recognize the term, and even resent it. Tartar was properly the name of a petty tribe or tribes in the north-east corner of Mongolia, probably Tungusic; then it came to be used by the Chinese writers of all Mongols, then of all Northern races, even Russians. Its first appearance in Chinese works is in the tenth century. The term Tartar is also used by foreigners for the 'Ti,' a general name for non-Chinese tribes of the north, who long resisted Chinese civilization, and were sometimes practically masters of China. The Chinese early writings divide them into nineteen barbarian tribes, the most powerful being the Red Tartars, the White Tartars, and the Long, or Giant, Tartars. They were at the height of their power in the seventh century, B.C., when, under the Red Tartars, they occupied parts of North China. In the course of time the Tartars were

working backwards over the dim records of pre-Christian centuries trying to piece together the neglected fragments. The end is by no means in sight, or even partially accomplished. If it were not for this comparative hiatus, and the still worse evil of religious frenzy which later erected the heathen menace to the Cross, Western Europe would not now be suffering from gross misconceptions of yellow peoples. Europeans would have been spared the task of trying to reconcile race prejudice with religious bigotry, and the still more difficult task of shedding both.

The cultural advance of the true Chinese mass has been irregular, slow and solid. Their so-called illiteracy is superficial and relative. Peasants, handicraftsmen, artisans, boatmen—the ninety-eight per cent. illiterate—may not write or read a letter, but they have held a civilization together longer than any other race, and against greater elemental odds. Their culture is bound up in their crafts, continuously transmitted generation to generation by creative activity, intense curiosity, deep respect for elder craftsmen, and a still more profound respect for craftsmanship; that is to say the craftsmanship which broadens out into knowledge, ingenuity, and application rather than just a mere dexterity with materials, or tools.

The picture of a Chinese as an ignoramous, stay-at-home, inscrutably sombre, has no foundation whatever. No toilers have as little reason to be happy, and none sing so much at their tasks. From boatmen to housebuilders, stevedores to chair-bearers, they

either absorbed in Chinese civilization or pushed north beyond the Great Wall.”¹

Obviously, attempts made by Japan and her friendly critics to claim specific or pure tribal distinctions are largely afterthoughts designed for political purposes. Certain nomadic tribes in Mongolia, and the Buriats, retained in the twentieth century a few special characteristics, but the Manchus were scarcely distinguishable from pure Chinese. The suggestion that Chinese “colonization” of Manchuria was of recent origin is not tenable, for Chinese had migrated there before the Christian era. The population at the close of the nineteenth century was fourteen million, consisting of eleven million Chinese and three million other tribes. In 1910 there were fifteen million Chinese. In 1933, the total population consisted of 28,000,000 Chinese, 771,000 Manchus, 203,170 Japanese, 453,000 Koreans, about 100,000 Russians, and 5,000 Westerners. Ninety-six per cent of the Japanese lived in Liaotung peninsula and the S.M.R. zone.

Chinese immigration undoubtedly increased rapidly during the late nineteenth and early twentieth centuries—to escape Chinese Warlords, said the Japanese, forgetting that they also said Chinese Warlords Chang Tso-lin and his son Chang Hsueh-liang had ruined Manchuria as well. Actually, however, the increased immigration was in direct ratio to the increased demand throughout the world for Manchurian products, especially the soya bean from 1909 onwards. Chinese farmers already there invited their

¹ S. Couling, “Encyclopædia Sinica,” Shanghai, 1917.

relatives, or told them about the big demand for farmers to grow beans. Four millions had gone there between 1900 and 1910, long before the era of Chinese Warlords in North China. And if the other Japanese self-contradiction—that the presence of Japan in South Manchuria rendered the country peaceful and better-off than China—is considered, that immigration took place partly before Japan, in 1905, took over control.

However, as the great Trans-Siberian railway approached Manchuria by the only feasible route, it was found that it must either continue direct through Manchuria, or circle northwards around the helmet and increase the distance to Vladivostok by about 400 miles. Fortunately for Russia, Japan's thwarted attempt to obtain Liaotung in 1895, gained her, in common with France and Germany, China's gratitude for the intervention. China signed within a month a convention with Russia permitting the railway to go straight across Manchuria. This Lobanoff-Li Hung-Chang pact was kept secret, although the *Daily Telegraph* published an alleged English translation of the French text, to which that paper referred again on March 11, 1910.

A joint Russo-Chinese bank was chartered in 1895 under Russian laws to carry out the railway clauses of the convention. The bank's capital was about £1,125,000, China placing with it a fixed deposit of about £800,000. Among the shareholders it developed later, were four of the largest Paris banks and several French financiers. China granted to this bank the land concession, or right-of-way, and in order to

build the actual railway on this joint basis, the Russo-Chinese Bank organised the Chinese Eastern Railway Company, also under Russian laws.

The capital of the C.E.R. was a nominal sum, merely £500,000, and the shares could be purchased only by Russians and Chinese. But the Russians neatly tricked their partners. The share lists were opened in Russia, and Russians immediately bought up the whole issue. No Chinese ever so much as saw a share. The French banking group were thereby also neatly dispossessed of interests in the railway, except what they might technically claim as shareholders in the bank, since defunct. The capital, of course, was a mere bagatelle, a ruse by the Russians to get control. The Imperial Russian Treasury poured out approximately £100,000,000 to rush the line to completion in 1902. Conquest by railways seemed worth any expenditure. But this "expenditure" was another joker in the pack. China had received no shares, the French had lost their investment, and now the people were to be defrauded. Russia unloaded these millions in paper notes—Treasury Notes—bearing no collateral or security other than their inscription, "the resources of the Imperial Russian Treasury."

A critic of Chinese rule in Manchuria remarked, "When the government of Chang Hsueh-liang was ousted, the peasants were left with fifteen sorts of worthless notes aggregating 150,000,000 dollars (about ten million pounds at nominal par)."¹ The obvious answer to this was that any national currency would

¹ O. M. Green, "Nineteenth Century and After," April 1934.

be worthless if its government were driven out of the country by military force, and, furthermore, that Japan's re-establishment of the local currency at a higher value was patently to benefit the Japanese yen exchange. But the ten million loss was a trifle compared with the natives' losses over the C.E.R., quite apart from the Banque Industrielle and Russo-Asiatic Bank scandals, all of which were foreign and not Chinese defaults.

Manchurian landowners, labourers, staffs, shopkeepers, merchants and farmer-peasants had accepted Imperial Russian Treasury Notes in return for land, food, labour and materials. In their turn, the entire populace accepted the Notes, which became common Manchurian currency, just as Carolus and Mexican dollars had been in China. Native Chinese, Manchus, Buriats, Mongols knew nothing and cared less about the Russian Treasury. They saw as tangible security and authority the big "Fire Cart Iron Road," as they call railways. But in 1917-18, these Treasury Notes, and those issued later from time to time—most beautifully engraved—became worthless. The Soviet repudiated Tsarist finance and Treasury Notes. Imperial Russia's immense losses in the Great War would have done the same, or nearly the same thing, for there was no realizable cover to fall back upon. The appalling prospect was a long time dawning on the natives, but their currency, their wealth, had become wall-paper. Their nett loss was between fifty and sixty million pounds, and their economic loss far greater. The Manchurian Chinese Government, Chinese banks, and

firms were equally badly hit—Chang Tso-lin and his son among them.

As noted, following the Russo-Japanese War of 1904-5, Russia was left still in control of Manchuria and the most important through line of the C.E.R., from Changchun northwards. Considered as a capital letter "T," the cross-stroke and the top part of the down-stroke were still in Russian or legally Russo-Chinese management. The cross-stroke was about 900 miles long, and the down-stroke to Changchun, 132 miles. This together with the Japanese S.M.R. Company's 514 miles from Changchun to Port Arthur made a total of 1,596 miles. All of this was built by the C.E.R., but when the S.M.R. took over, it double-tracked its section, widened bridges and erected new stations. This was financed by the twenty million pound loan of 1906, four million of which was taken up in London. Ten million was taken by the Japanese Government.

Chinese Gordon, a remarkable mixture of saint and soldier, warned the Chinese government in 1880 never to permit railway construction in China by foreign nationals if she valued her independence. While the Japanese were putting the finishing touches to the S.M.R., Sven Hedin had just crossed into Korea from his overland journey from Tibet. "I spent four days," he writes, "in Seoul as a guest of Prince Ito. He spoke with astonishing frankness of the political future of Japan; but what he said belongs to the category of those matters that are not to be reproduced in print."¹

¹ Sven Hedin, "My Life as an Explorer," p. 476.

The Manchurian railways were to become ample proof of Gordon's wisdom and Prince Ito's prophecies. Incidentally, Ito's unprintable "frankness" of 1907 makes Japan's occupation excuses in 1931 all the more factitious.

Chinese sovereignty over Manchuria, never questioned by her aggressive neighbour, Russia, began officially with the Manchu Chinese Empire in 1644. During nearly three centuries, money accruing to the Chinese Government by taxation and tribute, in other words Chinese money, was spent for the government and development of Manchuria, or, as officially recognized by the Manchu dynasty, the Three Eastern Provinces. Also during that period, the Manchu Chinese Government fought strenuously by arms or intrigue against Japan and Russia to maintain Manchurian provinces as integral parts of the Chinese Empire. All treaties with foreign Powers, except several attempts by Russia and Japan, recognized and incorporated Manchuria as part of the Chinese Empire. Consequently, it became a hollow pretence when Japan and her friends approved the new Manchukuo Empire of Manchus, who had been absorbed or ejected from their incompetent rule at Peking, and attempted to justify the Manchu dynasty's claim by jumping back nearly three hundred years and wiping out all that happened in that time. In other words, the Manchus, who had for nearly a century asserted that Manchuria was part of the Chinese Empire, were estopped from claiming the opposite in 1934. Conquest by arms and conquest by absorption amount to the same thing.

The Chinese never ventured on territory-annexing expeditions to the North, and never thought it necessary. As the region became civilized, it was divided into provincial districts—Shengking, Heilungchiang, and Fengtien—the three provinces, under Viceroys or Governors appointed by Peking. The Great Wall of China was a fortress, not a racial boundary. It was built 1,800 years before the Manchus thought about conquering China. Even in 1644 it had become mainly a landmark, and was left without garrisons for hundreds of years. It became an ancient antiquity, a monument, no more or less, to the skill and resourcefulness of kings and commoners dead for twenty centuries.

The prefecture of Jehol, just beyond the Wall, and the city similarly named, were a hunting preserve and country residence of many Chinese Emperors. Jehol also became Sinianized and was called Chang Teh Fu. Its great fortress monastery, a copy of the Tashilumbo in Tibet, was built in 1780 to welcome the Panshen Lama, when he came to celebrate the seventieth birthday of Chien Lung. In 1793, the first British Embassy to China, under Lord Macartney, was received at Jehol. Two emperors of the Ching dynasty died there; facts, among others, which might serve to show that the Chings, being Manchus and not Chinese, may have considered it Manchu territory. But they also prove that the Great Wall had no meaning as a racial border line, particularly as government of China was conducted from Jehol as well as from Peking. Furthermore, China's long tradition of "Buffer States," vassals and tributaries which defended

her from the outer barbarians, did not include the Three Eastern Provinces.

Japan and Russia, in the Treaty of Portsmouth, expressly recognized the "sovereignty of China" in Manchuria in 1905, but the former in keeping with her dual policy had different ideas for local application. Japan tried hard to "colonize" her new possessions. She formed a special company, the Oriental Development Company, to induce peasants, artisans and shopkeepers in Japan to emigrate to Korea and Manchuria. This firm arranged leases, settlements, transport, construction, agricultural and irrigational schemes, and consular and police protection. The O.D.C. even advanced money to finance emigrants. This colonization project failed dismally through the disinclination of Japanese to leave their cosy firesides for the hard rigours of pioneering. After nearly thirty years, the O.D.C. had settled only half a million in Korea, and, apart from the S.M.R. Company, only a few tens of thousands in South Manchuria.

Japan saw that the plan would fail before it was five years old. Whereupon she decided to colonize Manchuria with Koreans, and put Japanese in their place in Korea. That was one reason for annexing Korea in 1910, and making them "Japanese subjects." As noted, about 350,000 Koreans fled into Manchuria to escape this status. By re-nationalizing them, Japan hoped to claim various rights and precedences because of her large "Japanese interests" in Manchuria. Koreans were almost forced by the O.D.C. to move on into Manchuria. They were ousted from the best

street and shopping frontages in Seoul and other Korean cities. Their shops and leases were cancelled and turned over to Japanese immigrants.

In Manchuria, the O.D.C. kept in the background as much as possible. They sent pro-Japanese Koreans to act as go-betweens. A Korean would appear at some Manchurian village, arrange to lease land in his own name to start a farm. A few days later several more Koreans, with families, would arrive and set about building, cultivation and irrigation. O.D.C. experts would then turn up to help plan the allotments and canalization. When a cluster of such farms sprang up, a Japanese consul would arrive to "register" them as "Japanese subjects." The Koreans had no option, because until their crops came they had no money, and unless they registered the O.D.C. would not advance them money. In this manner Japan forced thousands of Korean refugees to register as well as the immigrants, but many more thousands made a second escape by becoming naturalized Chinese.

This is where the Chinese land laws, as previously noted, were Japan's bugbear. Koreans who naturalized could purchase land outright and register titles with the Chinese authorities. Koreans who remained Japanese subjects could not own freehold; they could only lease it from Chinese owners on a rental basis. Japan wanted freehold for Japanese subjects, and the political rights, but the legal barrier blocked her. There was endless bickering. All sorts of persuasion and pressure were brought to bear on Chang Tso-lin, and his son later, to get the law rescinded or

revised. It was behind the Twenty-One Demands—Article 2 of Group Five—containing the request for “le droit de propriété foncière.” During the upheaval following the 1931 occupation, thousands of land title documents were altered before the Manchukuo Government was installed. This juggling was reported in London newspapers of that period.

China had nothing against the Koreans, themselves. They were good farmers and peaceful subjects. They were especially good in the difficult soils of Manchuria—the dry, alkaline soil in which only soya would grow, and various marshy districts. But China refused to tolerate them as Japanese subjects, for the obvious reason that, as such, they enjoyed the higher extraterritorial status and were above and beyond Chinese jurisdiction. Koreans as equals was one thing; as superiors was another. Naturally, China tried to balk these Korean colonization schemes as far as she dared, when their Japanese backing was discovered. There was a constant warfare between Japanese and Chinese officials, the latter determined to resist penetration, the former threatening dire reprisals. One squabble in the summer of 1931 led to a pitched battle between Chinese farmers and Korean settlers, whose irrigation dam backed up river water over the Chinese farmers' crops. Several were killed, and magnified reports published by Japanese in Korea caused a massacre of a hundred Chinese in Korea by falsely incensed Koreans. This massacre was conveniently forgotten during the occupation that started two months later.

are the singing craftsmen of the world. In addition to what little we know about their early movements, apart from individual journeys such as those of Fa Hsien, Hsuan Tsang and others, Chinese traders travelled as far overseas as their small sea-going ships would carry them. There are traces of contacts with the Pacific coast of North America in pre-Columbus times. Thousands were massacred by Spaniards in the Philippines in the fifteenth and sixteenth centuries for no reason other than that they were too good at commerce. Their present overseas population of some twelve millions is second only to that of Great Britain.

European contacts since the industrial revolution found them, as a whole, retarded in material progress. The Western reaction was one of false pride born of ignorance, rather like that of a little boy with a big apple among less fortunate playmates. The big ships, big guns, and big money of industrialized Western Europe provided its agent-pioneers with comfort, safety and happiness. They could have afforded a gesture of masterly compassion, if they had known what, where, and with whom they were dealing. But, education and religion being what they were, the pioneers of the West merely barged heavily into a nursery of fine arts, thinking, because rags and tatters hung about the gateway, that it was a waterfront pub, its habitués fit only for fisticuffs or redemption.

The charge of unreasonable conservatism or degeneration, says one of China's foremost moderns, made

Banditry in Manchuria before the Japanese occupation was negligible. In earlier times, due to the Manchus' loose control, and their Viceroys' corruption and despotism, there was a great deal of out-lawry. Chang Tso-lin was a former leader of the principal gang, the Hung Hutze, or Red Beards. Chang's story was similar to that of other outlaws the world over. As a boy he came home one day to find his parents killed and his home smashed up by Government troops in a raid for suspected bandits. In revenge Chang joined the Hung Hutze and soon became their leader.

When Japanese armies were in Manchuria battling against the Russians in 1904, the Japanese, being of similar race, found sympathy among the Manchurian Chinese farmers and bandits because they were ridding the land of "White Barbarians." The Hung Hutze were engaged by the Japanese as scouts and spies. They knew the country inside out, and their topographical knowledge and information were so valuable that the Japanese General Staff officially acknowledged their services in the Japanese cause. This was a rather different attitude from the one they adopted in 1931, when professing to rid the land of "banditry." However, Chang Tso-lin and his band were pardoned by Peking some time later, and he was eventually installed as Governor of the Three Eastern Provinces. Chang almost wiped out banditry, and his chief trouble was preventing Japanese agents from smuggling arms and ammunition to sell to the criminal classes.

Banditry, therefore, was not given by Japanese as a reason for their troubles prior to 1931. Chinese competition, with railways paralleling the S.M.R., factories, new harbours and ports, were their expressed objections. "We Japanese are losing our footing," wrote the Japanese Chamber of Commerce in Mukden in 1928. "The Chinese are adepts at learning our tricks and beating us at our own game," said Baron Tanaka. The S.M.R. receipts fell, in 1930, by £4,000,000, and the Dairen Customs revenue slumped accordingly. The Chinese railway companies were offering, and getting freights away from the S.M.R. as a result, as much as thirty per cent lower tariffs. In fact, at the rate of Japanese decline between 1927 and 1931, the S.M.R. Company would have been ruined in a few years. Furthermore, the steady decline of silver compared with the yen, then on a gold basis, was making it almost impossible to sell Japanese manufactures in Manchuria in competition with local-made Chinese goods. It was a case for desperate remedies. The summary execution of Captain Nakamura in the summer of 1931 by Chinese troops was a good beginning; it inflamed the Japanese High Command. But when the Chinese brought General Kuan, the officer responsible, to Mukden for trial, with the defence that Nakamura had been caught spying, that incident seemed better left alone. Hence the frayed tempers when a rail was found "displaced" on the S.M.R., near Mukden, and debitable to bandits. Japan was able to assure the world's foreign Ministers that her troops would soon withdraw back into the railway zone, but the Chinese

troops, bombed out of their barracks while they slept, and scattered leaderless over the countryside, had become "bandits" and thereby lent colour to the general plea of banditry as a danger to Japan's vested interests.

Manchuria's agricultural staple, the soya bean, has been the source of food and illuminant in China for many centuries. After the oil was expressed, the "cake" or pulp remaining was exported as fertilizer. Soya oil was refined into "chiang," a famous Chinese culinary sauce, and the original basis of several Western table sauces. The West knew very little of this bean, however, until British merchants in Dairen induced buyers in Europe to take it up. From that time, 1909, onwards almost every country became a large buyer. The bean is a purely Chinese cultivation. Japanese, of course, started machine pressing and refining plants at Dairen, but hundreds of little Chinese farm mills did most of the pressing.

Manchurian minerals—coal, iron, shale oil—are more valuable to Japan. The coal deposits at Fushun and Yentai have a total estimated deposit of 1,020,000,000 tons of bituminous and semi-anthracite with a combined annual output of over 7,000,000 tons. The Anshan Ironworks turns out 200,000 tons of pig every year, and the Fushun shale field, lying above the coal seam, gave, in 1930, about four thousand tons of shale oil a day, which produced in that year 70,000 tons of crude oil, 18,000 tons of ammonium sulphate, 15,000 tons of paraffin wax, and five thousand tons of coke. Japan's timber concessions in Kirin and elsewhere have yielded enormous profits.

CHAPTER XV

PU YI'S MANCHUKUO DYNASTY

THE most significant feature of the new Manchukuo dynasty was the fact that the new Emperor ranked lower than the Emperor of Japan. The English translation of both could be, loosely, "Emperor," but Pu Yi's title in Japanese was "Ko-tei," a mere secular ruler; whereas, the Japanese Emperor is "Tenno," which means a heavenly, or sacred, ruler. Few Westerners realised the immense importance of this ranking in Oriental minds. With the highest monarch in China on a lower footing than the Mikado, the Japanese could, after more than two thousand years on a lower plane, visualise themselves, and pose before the whole of East Asia, as beings superior to the Chinese, and therefore to every other Oriental race. The complex history of East Asia for four centuries could be traced back to this fundamental question of "face," and Japan's fight to establish equality. It was behind the struggle for Korea, and remained a subconscious factor in Manchuria and Sino-Japanese relations generally.

Japanese military clans in 1934 were restrained temporarily by budget problems, but they were aching,

nevertheless, for some thoroughly shocking provocation to invade or fight either China or Russia. They wanted something really convincing to a populace already carrying heavy burdens. And, to the credit of the Japanese people—the slogging undercarriage of the wild ride to Asian hegemony—they were beginning to require deeper conviction. The need was desperate because neither China nor Russia was pursuing positive, aggressive policies. China might irritate—boycott, tax, intrigue—but she would recede from climaxes, shift her position, compromise.

Moreover, where Japan had to deal with but one Power in Siberia, she had several in North China. Great Britain, in particular, had interests in the richest coal mines in China just inside the Wall, as well as mines, railways, Concession, shipping, wharves. In addition, Japanese statesmen had not yet gained universal acceptance of the *de facto* occupation of Manchuria and Jehol, or their puppet independent government. They were, for that reason, preaching “stability,” hoping by the surface appearance of “peace,” and the help of their friends, to stop the nations crying over spilt milk. Once recognition was obtained, Japan would feel freer to proceed to further “stabilizations” in due course, like successive landings on a staircase.

Britain, Japan’s old ally, was unable officially to recognize Manchukuo largely because of the Lytton Report, but had gone as far as she could by appointing British consuls to Manchukuo from the British consular service in Japan, instead of from the China

service as before. The "stability" plea was urged, among others, by Dr. Yotaro Sugimuri, a delegate to Geneva before Japan's resignation, to the British press in China. Stability was an excellent policy pending consolidation in Manchuria. The Japanese High Command had taken time to convince the reluctant civil authorities in Tokyo that an ex-Ching emperor could be installed as an entirely new "dynasty" in Manchukuo. Even the Japanese are fairly logical.

Their difficulty was to establish Pu Yi as a monarch in such a way that it would create the impression abroad that Manchukuo was autonomous, and yet retain Ching connections in China. Japanese had been telling the world that Manchukuo was "independent" of Japan and China; then, they discarded independence as to China in favour of dynastic association. They were going further; their friends in Britain were pushing the view that Pu Yi had never really lost his right to govern China. The Manchu title was "dynastic," not territorial, they urged. It could be stretched, twisted and pulled any way at will; in fact, they really meant "elastic." The 1912 abdication agreement; its breach by Pu Yi in the 1917 restoration of a fortnight, meant nothing to the new devotees of the Elastic dynasty. But official recognition was difficult to obtain. The West knew from a thousand Western writers, statesmen, consuls, missionaries and merchants, that the Chings were effete, corrupt, unable to govern, and that, knowing these things, the West would wonder how much better

a job of governing the Ching dynasty would do in Manchukuo.¹

The Chinese attitude was plain. "The Manchus to-day," said a Chinese lecturer, "are like the Red Indians of North America; they are a dying race, who have failed to advance with the times. When the Manchus conquered China some 300 years ago, they were a great fighting race; they were Spartans, the Romans of China, but they were a very haughty race, who despised trade and looked down upon the Chinese for their industry, and, having conquered the country, they gave themselves up to a life of pleasure. In consequence, from being conquerors, they gradually became the conquered and the Chinese became

¹ *The Times*, 24th August, 1934: "Mukden, 23rd August. The oft-repeated platitude 'now that peace and order have been restored,' which prefaces many of the pronouncements concerning Manchukuo, is afforded little confirmation in the list of outrages by bandits in a single day's news. On Saturday, 33 out of 36 Korean settlers in a village 17 miles north-west of Chaohotze, were slaughtered by bandits; on Tuesday, Mr. Solomon Zetlin, an American fur-buyer, was captured by bandits near the north mausoleum in Mukden; on Wednesday, three Japanese workmen were killed by bandits on the Kirin-Tumen railway; on Thursday an armoured train was attacked by bandits after the locomotive and four cars were derailed. The casualties are feared to be heavy."

The *North China Herald*, 27th June, 1934: "Tokyo, 26th June. Grave charges of Japanese maladministration in Manchukuo are commencing to be heard here. In many districts the inhabitants of the new Empire are said to be in a state bordering upon terror. Thousands of hard-working farmers and small merchants are resorting to brigandage to escape from an intolerable situation. These charges are not the rantings of discontented Chinese or of anti-Japanese propagandists. They constitute the findings of high officers in the Army who are checking up on the situation in Manchukuo. What is more, they are not sparing their brothers-in-arms who are supposed to be running things in Manchukuo. Most of the charges are made by high officers back from tours of inspection. Many Japanese, including active and retired army officers, are taking advantage of their responsible official positions to fatten their private coffers. Never having seen so much money before, and feeling that they are staying in Manchukuo for only a few years anyway, they are accused of mulcting inhabitants of the new state and of pocketing money that comes from Japan and is meant for investment in Manchukuo. Opium is only one instance. The Japanese will not permit the farmers to sell to anyone but the Manchukuo government and will not permit the latter to buy except at harvest time prices, which generally means at practically cost to the farmers. The result is that hundreds of farmers

their masters. Having no knowledge or aptitude for business, the Manchus could not compete with the Chinese and became pensioners of the Empire, from whom they received allowances. The present-day position of the Manchus is a pitiable one, for they have become so poor that they are forced to do the lowest menial work, even becoming ricksha coolies.”¹

Manchukuo was, in 1934, at the moment of enthronement, more than ninety-five per cent Chinese; more Chinese, in fact, than the Manchu's Chinese Empire was at any time. Therefore, Manchu hopes of survival with the same blood, in the same economic atmosphere, had to be based upon something more tangible than their alleged spiritual and elastic right

are being driven to starvation or into banditry. Perhaps the most damaging accusation has to do with the conduct of armed immigrants. Japan sent last year two groups of 500 men to colonize areas far to the north of Harbin. These were ‘model men,’ selected by village heads, townmasters and mayors in Japan at the request of the Colonial Department, but the authorities had utilized the offer to rid their districts of young trouble-makers. Scores of reds, radicals, thieves and other pernicious and depraved elements were provided with enviable recommendations and sent to Manchukuo. Represented to them as model young men, the Manchurians had placed their trust in the immigrants. Having been betrayed in the most shameful manner (scores of young Chinese girls in the villages had been seduced), there is to-day a bitterness in the hearts of these simple people. In another district, the Japanese compelled Chinese farmers from Shantung to sell their property, which cost them 50 dollars an acre, for 2 dollars. During the enthronement ceremonies in March, Japanese went around selling photographs of Emperor Kang Teh, which cost at most one cent, for 1 dollar. The people were told that unless they bought and framed the pictures they would be regarded as unpatriotic and treated accordingly. Many Japanese, especially the riff-raff and ex-criminals who to-day infest Manchukuo, are engaged in various rackets. The victims are invariably Manchurians. A Japanese officer, just back from Manchukuo, remarked that although very little is heard about them, Japanese bandits as well as Chinese infest Manchukuo. The Army is gravely concerned over this situation, etc., etc. The main criticism is that the Japanese insist on the principle of equality in enlisting Manchurians for government posts and officials in private concerns, but, in fact, do not accord any power or rights to them. The Manchurians admit, however, that if actual control were vested in their nationals, there would be bribery and graft, but they feel that this evil could be gradually uprooted. At present all Manchukuo officials are puppets and they resent it.”

¹ Dr. Jermy C. H. Lynn, *North China Herald*, 8th November, 1933.

to govern. And despite all that was being said of Pu Yi's newly discovered firmness of character, he was never able to convince the Chinese of his purposefulness, and any attempt at his restoration as ruler of China by the aid of Japanese military force, and against the wishes of China, was inevitably the means of provoking China to resist.

The history of the Manchus needs a brief review, for their entire reign in China was characterised by a studied anti-foreignism, polite, insincere, and bitterly resentful. Chien Lung, in 1793, sent Lord Macartney back with the famous message to King George, scorning the offer of commerce, and contemptuously regarding Britain as a "tributary state." Chia Ching, in 1816, imperiously hustled Lord Amherst, and his Second Embassy, out of the country because he refused to bump his head on the ground, or "kowtow." Successive Manchu emperors issued edicts through which hundreds of Roman Catholic and Protestant missionaries were killed, and their property confiscated or destroyed.

The last effective ruler, the Dowager Empress, offered head money, as noted, for foreign men, women and children, and also issued the infamous edict of 1900 to "slay" all foreigners. It was Chinese intervention that saved this edict from creating a far greater massacre. Two Chinese officials got hold of the edict, which was in the form of a circular telegram, before it was half despatched, and altered the character code from "slay" to "succour." Missionaries in the districts to which the amended message

was sent escaped, but 245 were massacred in the other districts. The Empress had the two officials beheaded for their "treachery."

Throughout the history of the foreign factories at Canton, Manchus compelled or inspired their Chinese viceroys and bureaucrats to oppose, hinder, and fight Western encroachments. The wars of 1835-42, 1858-60, were directly due to their policy of deceit, arrogance and evasion. They tried to trick themselves out of every early treaty by renouncing their own negotiators, beheading them, or making them commit suicide. The Boxer uprising, as noted, was turned against foreigners by the Manchus; otherwise it could have been confined to a few local riots. The Chinese, even from the earliest contacts, were not averse to foreign trade. Captain Weddell, the first British skipper to arrive in Canton, filled up his vessel with Chinese cargoes, but first had to bombard the Manchu garrisoned forts to get into the river. Finally, although it was the Chinese people who suffered from Manchu-imposed sterility and insularity on the one hand, and Manchu "yoke" on the other, the latter resisted all Chinese suggestions for reform, and decapitated them in the bargain.

As for Pu Yi and his relatives, when forced to abdicate in February, 1912, they were permitted to retain by the agreement a north wing of the Forbidden City palaces. Pu Yi was permitted to retain by courtesy the title of "Ta Ching Hung Ti," Emperor of the Ching dynasty, so far as it applied to China, and provided he kept out of mischief. This

against China by ignorant missionaries and traders is utterly unfounded. Let us remember that culture is the common product of mankind. Modern industrial civilization, true enough, was developed in Europe, but it could never have come into existence without the cultural capital of the preceding ages which was the common inheritance of the Eurasian continent and to which China contributed her share. Modern large-scale industry, he continues, could never have been so rapidly developed without what is called primary capital, which came from colonial possessions and foreign trade. In a sense, therefore, the Aztecs, Incas, North American Indians, Negro slaves, as well as all the Asiatic peoples who traded with Europe, contributed their share, and have as much right to claim the benefit of industrialization as the Europeans.¹

¹ V. K. Ting.

contract held good for some twelve years, during which period he grew up, married twice, and was taught by an Englishman for about five years in language and general knowledge. It is doubtful if the Manchus ever got much of the agreed pension out of the Warlord governments of that era, but various Manchu and Chinese sympathisers, notably Chang Tso-lin, sent Pu Yi small sums from time to time. Unquestionably, Pu Yi had Chinese friends who sincerely thought a restoration of the dynasty was better than the Warlord shambles of those days, but memories were short; the entire civilized world's verdict against the corrupt Manchus had been amply justified.

An abdicated emperor living in his own palace in his old capital was an unfortunate arrangement. Rumours of impending reinstatement were often whispered. The present writer lived in Peking and Tientsin during those nine hectic years between 1916 and 1926 and, as a journalist most of the time, was in daily touch with events. Pu Yi was always in a difficult position; a dilemma not his own choice or desert. When, in 1917, Chang Hsun and Kang Yu-wei put him back on the throne for a fortnight, by a military *coup d'état*, he was only twelve years old, too young to realise or be responsible for the serious action. Whatever legal principle resided in an abdication pact, it was obviously broken in respect of that abdication. The Empire of a Fortnight ended with Tuan Chi-jui's march from Tientsin on the capital.

The Chinese dealt leniently with the breach, and Pu Yi continued to live in his palace forgotten, for the

most part, by the warring cliques. By 1923, the country's affairs had sunk so low that still more serious talk of restoration commenced. Chang Tso-lin was so enraged at the Chihli party that he would just as soon have Pu Yi restored, even if he had to smuggle him away to Mukden to do it. Wu Pei-fu had, in 1922, just trounced Chang's armies, and driven them back into Manchuria. The foreign press began to suggest restoration as the only way out of the War-lord mess.

Consequently, at the height of this propaganda in 1924, Feng Yu-hsiang, following his military coup—the one that “let down” Wu Pei-fu and enabled Chang Tso-lin to defeat the Chihli clique—expelled Pu Yi and his retinue from the palace and placed him under protective arrest. His tutor, Mr. (later) Sir Reginald Johnston, eventually, as he said, “succeeded by a ruse in bringing the ex-Emperor through the streets of Peking into the Legation Quarter.”¹ Later the Japanese took Pu Yi away to their Concession at Tientsin, where he lived from 1925 to 1931 in the famous Chang's gardens, where, ironically enough, Sun Yat-sen had lived a few weeks in 1924. In November, 1931, Pu Yi went quietly to Dairen, not smuggled, of course, but also not heralded, and eventually reached Changchun, and his new field of dynastic endeavour.

“No legal or constitutional sanction has ever been given to the cowardly and arbitrary act committed by Feng Yu-hsiang,” says his tutor in the article quoted,

¹ *News-Chronicle*, 24th February, 1932.

"though succeeding Chinese governments have silently acquiesced in the results of that act. It might be contended with some reason that the ex-Emperor is still technically entitled to be described and addressed as 'Emperor' without the 'ex'." The pro-Manchu, or perhaps more strictly speaking, pro-Pu Yi sympathies of his former tutor can be understood. The present writer, as noted, has met Pu Yi twice and was impressed on both occasions with his sincerity and charm. Nevertheless, most intelligent people will quickly understand that the difficulties are purely national or public affairs, and not personal.

Feng Yu-hsiang explains his action in these words: "Pu Yi had been constantly waiting for an opportunity to make another movement for the restoration of the monarchy. Articles of artistic, literary and historical value had been continually stolen from his palaces to be sent abroad and added to the collection of foreign museums. Such action on his part might not only do great harm to the people but also might imperil the safety of his person as well. That is the reason why I always advocated abolition of the imperial title, throwing open the Forbidden City to the public, and the working out of a plan for the Manchus to earn a livelihood."¹ If palace curios were sold, doubtless it was to obtain living expenses promised by the government but rarely paid. Feng was a big, simple-minded man who would see nothing incongruous in having an ex-Emperor work for his living.

¹ Marcus Cheng, "Marshal Feng, the Man and his Work," p. 102.

"The existence of an Emperor," he said further, "bearing an empty title and holding court as if he still had a small government in the Capital of the Republic, and within whose sphere the jurisdiction of the Republic could not function, was against the principle of republicanism, and called for ridicule from neighbouring states; hence it could not in the least be tolerated." It was true that the "Court" still functioned around Pu Yi, particularly at certain festivals. They had a ruling clan's understandable bearing towards their former "subjects." The present writer's first contact with the Court was a peremptory command to proceed "Ma shan"—on horseback—to attend a "Ta Ren"—high personage—whose name they withheld, and while the ex-Emperor himself was devoid of pretentiousness, his retinue went through considerable mumbo-jumbo.

However, it would be strange if, after trying to rid themselves of the Manchus for so long, the majority of Chinese failed to resent intrigue for restoration, and merely because a lot of corrupt Warlords ran amuck. The Manchukuo restoration of 1934 confirmed their suspicions; Emperor Kang Teh was the answer to critics of Feng Yu-hsiang. Japan's first plea that Manchukuo was "independent" of China, on the assumption that Pu Yi could be a Ching in China, but not a Ching in Manchukuo, was an interesting but not too sound premise.

"The imperial title," argued the tutor, "was never 'Emperor of China,' except in loose European phraseology, but, 'Emperor of the Great Pure Dynasty.' In

other words, the Chinese emperor's title was dynastic, not territorial, and can therefore be accorded without any incongruity to one who is not actually reigning sovereign over China. As a matter of fact, the sovereigns of the Manchu House gave themselves the dynastic title of Ta Ching several years before they became emperors of China, and they did not alter their title when they succeeded to the Dragon Throne."

The tutor's contention was self-contradictory. He was trying to prove Manchu rights to the Dragon Throne, but inasmuch as they were Ta Ching before they came to China, that title logically was inapplicable to China. Their claim must have rested on more tangible things—obviously their physical presence and power to enforce Chinese loyalty. Furthermore, there was no point in the argument that they were never "Emperors of China," but simply "Emperors of the Great Pure Dynasty." These flowery dynastic titles had no national significance. Even the Hans and the Mings, pure Chinese dynasties, were not called "Emperors of China." Ming merely meant "bright," or clear. The same may be said of the Sung, the Chow, the Yuan and other dynasties. None of them signified territorial or national attachments. Their claims, as noted, rested on simple facts—their physical presence, power and ability to rule, and not in, or because of, their fancy dynastic titles. When their ability to rule ceased, they were ousted physically by physical force. The Manchus went into China in exactly that way, and when they went out in similar fashion, they had ceased to rule. The "dynastic

title" premise, coupled with the fact that their name was Ta Ching before conquering China, was incontestable proof that their claim on China south of the Wall ended with their departure. Contentions to the contrary—that the dynastic title could be stretched like elastic at will—proved rather that Manchuria belonged to China, than that China belonged to Manchuria.

With a dynastic title, however, a Ching was still a Ching wherever he set up a court, reigning over any territory he considered his "Empire." This brings forward again the original proposition—Japan's need of a thoroughly startling provocation. Pu Yi's ascendancy of a throne in Manchukuo completed Japanese plans, begun in 1911, when they wanted Whitehall to sustain the Manchus by armed intervention. They were determined not to have a democracy at their doorsteps. They desired Pu Yi, a Manchu, as head of a monarchy, and not a Chinese monarchy, hence their refusal to approve Yuan Shih-kai's attempt in 1915. Japan's subsequent policy—succouring and protecting the ex-Emperor—to his final enthronement at Hsinking was patently bent upon that consummation.

"That Japan would find an independent Manchurian government ready to agree to a prompt settlement of Japanese claims in Manchuria is a reasonable assumption," says the tutor further. "It is obvious that an independent Manchuria, perpetually menaced (as she doubtless would be, at least for many years to come) by a sullen or hostile China, would be com-

pelled to enter into a defensive alliance with friendly Japan; and it is equally obvious that Japanese friendship and support would not be given for nothing. Nevertheless, I am inclined to believe that the Manchurian State, assuming that it is allowed to remain in existence, will be independent, for most purposes, if not all, in fact as well as in name, and that Japan has no intention of annexing it or even of turning it into a Protectorate." That was in February, 1932, written by the tutor, who was described by the editor as the "European who knows best." In April, 1934, another friendly critic observed: "One thing one may venture to predict with certainty—namely, that sooner or later Manchuria and China will unite."¹ Which proves that Japan's policies are quite uninterpretable by her most friendly critics.

The tutor's explanation must be left as a present to historians for what they wish to make of it, but remembering that "intrigue" was sufficient excuse to annex Korea, and noting the tutor's fear that Manchukuo would be "menaced by a sullen or hostile China," it lacked conviction. Nevertheless, if annexation were dismissed, there was only one alternative to deal with a hostile China—the gradual extension of the new Ching dynasty's sway over Mongolia and China. Chinese resentment, already manifest in the South, would provide the requisite provocation.

The "independence" plea was never more than a step in the process. Actually, there had existed in Manchuria no serious "national" movement for

¹ O. M. Green, *op. cit.*, p. 436.

severance from China. There were the usual "Royalist" Manchus and several Chinese leaders, honestly or otherwise "agin the government," largely from disgust at the Warlords or a desire for power. The Chang's financial policy—issuing paper money through their banker confederates to pay for goods for which they received good silver—was indefensible on most grounds. Yet the silver was expended for the most part in upkeep of various armed forces, arsenals, railways and factories in Manchuria. The paper notes were no stronger than the government, of course, and when that disappeared the notes were worthless.

But, despite this bad finance, Manchuria had been hailed by every critic in the English-language press of China for over a decade as the most prosperous, peaceful, and progressive part of China. Those who later joined in the chorus of hate against the two Changs, father and son, used to point to them as models worthy of emulation by lowly Chinese. Owing to Chang Tso-lin's good government, they said, millions of Chinese farmers from Shantung had poured into Manchuria to escape Warlord misrule. Japanese joined in the chorus, adding a verse to the effect that their own presence in Liaotung and along the S.M.R. zone was the real cause of prosperity and peace. To which the foreign critics, who had never noticed it before, began to harmonize their voices.

Actually the immigrant Chinese millions went mainly to areas beyond the Japanized railway zone, while the whole northern half of Manchuria was,

as stated, under Russian-Chinese influence, not Japanese. Chinese police were in sovereign control over the C.E.R. zone and Harbin from 1924 onwards. As a matter of fact, three-quarters of Manchuria was outside Japanese influence. Consequently it was a gracious sweep of imagination to claim that twenty-eight million Chinese were seeking "independence" from misrule, whatever their economic sufferings, and a remarkable contradiction to say in the same breath that millions went there to enjoy its peace and prosperity. Anyone who really knew the Chinese peasant-farmer would understand that his chief desire was to be let alone, as free of unjust taxation as possible, whether by his own or any governing authority. He was singularly free of that conscience-corroding philosophy miscalled loyalty to the State.

The anticipated menace of a hostile China was part of Japan's artificially prepared juxtaposition of politically *unstable* units. The world had taught Japan in 1915, when frowning on her Twenty-One Demands, that there must be "instability" in order to seek "stability." Manchuria stabilized under a mere "life-president," as Pu Yi was first called, was not provocative enough. Organized and articulate China knew all about "presidents." There must be a more elastic, undemocratic organism—something which could be extended indefinitely, not with the people's will, but by virtue of divine or spiritual sanction as superstitious peasants understand it. It was to be Heaven against the ballot box.

The more astute Japanese saw this in Pu Yi, but

had some trouble convincing their compatriots. The virtues of an "independent monarchical state," promptly assuaging Japanese appetite, would spread wherever the monarchy spread. With such an amenable neighbour the question of annexation would not arise; that is, not in the perfect theory of Japan's Asiatic hegemony. In those 1934 days of world-wide enlightened self-interest among nations, Japan's economic and political future seemed assured if she could obtain controlled co-operation of placid, unselfish drudges—five hundred millions of them—so willing and so friendly a tool of Japanese industrialists that Japan would be saved the bother of annexing their country, and despoiling them of their territorial "independence." That was the ideal, but could it be made to work?

After all, the tariff-barred nations were, themselves, looking for just such a docile market—one that would keep its standard of living low, while they kept theirs high in order that profits would flow uphill. It was too much to expect them to accept annexation of the largest potential market in the world, especially by Japan, a keen competitor. Even their consciences might be disturbed when they began to discover that their investments in Japanese bonds would yield far less than they would lose in a closed China market. Japanese bonds, and not bombs, had already dictated Western policy towards Japan. It was the fear of losing the millions of annual interest that held European Powers in check, when the Geneva vote pointed logically to Sanctions.

CHAPTER II

TREATY PORT CONTACTS

It may have struck students forcibly that China maintained her territorial integrity, somewhat slenderly, it should be noted, despite the heavy pressure of Europe's imperialist and expansionist drive of the eighteenth and nineteenth centuries. That is to say, China escaped "colonization," but was obliged to permit a ghetto-like segregation of Europeans in "leased" suburbs of the principal river and seaports. Hong Kong, an island, is the only real colonial possession. Shanghai, Tientsin, Hankow and two dozen others on the actual Chinese mainland are, or were, "Concessions," not possessions. From them are derived the descriptions, "Foreign Concessions" for the actual suburb, and "Treaty Ports" for the harbour or port as a whole. The larger ports present the anomaly of duplicate cities, one foreign and one Chinese, both bearing the same name, but administered locally by separate bodies; the foreign by a unicameral, non-party municipal council, elected annually by registered foreign ratepayers.

Although not colonies, the Concessions have been in practice colonization units. As centres of the new world-wide exchange of goods, terminal points of

The battleship-menace bogey that stalked through the corridors of Whitehall, Quai d'Orsay, and the White House was not the true menace; a retaliative default by Japan was the real ghost. As a matter of fact, Japanese military and naval strength did have the world partially bluffed, to use plain language. A really major engagement with armed forces at that time, on land or sea, would have put a quick end to Japanese dreams of Pan-Asianism. The weak financial policy in Tokyo, a grossly unbalanced budget and towering armaments burden, would have collapsed in a few weeks. In spite of all that had been written about the prowess of Japanese arms, the simple truth was that they had never at any time beaten a foe worthy of the name. All their victories had been won over practically unarmed Chinese peasant soldiers, and disorganised Russians. On the only occasions any decent resistance had been offered, six thousand Germans at Tsingtao held them off for three months, and the Chinese 19th Route Army kept them at bay for a month against overwhelming attack from the air, and then retired in good order. Their airmen's peculiar deficiency at high altitude was common knowledge.

As for Manchukuo's relations with Russia, the Japanese Foreign Minister, Koki Hirota, laid down the Japanese point of view in his speech to the Diet in January, 1934. He said, "It is most surprising and regrettable that the Soviet Union should now take to broadcasting at home and abroad through Press and other channels unwarranted criticism directed

against Japan, and should circulate stories about this or that situation for political and diplomatic purposes which such rumours are calculated to serve. Japan has consistently preserved her fair and equitable attitude towards the Soviet Union, and had sought the solution of all questions by pacific means.”¹

The intent was true, but all questions were Japanese questions, and all solutions were Japanese solutions. In the previous twenty or thirty years relations among the three Powers—China, Japan, Russia—Japan had followed anything but “pacific means,” and had obtained her own “solutions.” Hirota was convinced “that the proper adjustment of the tripartite relationship between Japan, Manchukuo and the Soviet Union was of paramount importance to the tranquillity of East Asia.” His omission of China should be noted. Furthermore, he said, “Indeed, it is only as part of the above-mentioned friendly policy that Japan has undertaken since last June to act as intermediary between Manchukuo and the Soviet Union on the proposed transfer of the North Manchurian Railway.” Note again his new name for the C.E.R.

The proper solution of local questions rightly belonged to a four-party convention; that is, with China added. Hirota’s studied omission of China’s relationship, as a border state of all the others, meant that Japan was determined to deal separately, in her own peculiar way, with China. They were, in conformity with the dual policy, stated as a regretful com-

¹ *The Times*, 23rd January, 1934.

plaint, "The Japanese Government have serious responsibilities for the maintenance of peace in East Asia and have a firm resolve in that regard. What is more essential is the stabilization of China herself. Our Government sincerely hope for the political and economic rehabilitation of China. They hope that she will be able to *unite with Japan* in performing the *obvious mission* of both Japan and China to contribute through mutual aid and co-operation to the peaceful development of their part of the globe." There, in italics, was the offer of a Pan-Asian hegemony; but in the next breath was a threat of compulsion by invasion: "Unfortunately," he added, "the actual situation of present-day China belies all such hopes, and it has been reported that of late the Chinese Government, realising the mistake of persisting in their anti-Japanese attitude, have decided to take steps looking towards the rectification of Sino-Japanese relationships. Should China appreciate our true motives and give tangible signs of sincerity on her part, Japan would be glad to reciprocate and meet her half-way in a spirit of goodwill. But Japan expects China to see to it that nothing will happen that may bring chaos to that area—(North China)."

"Chaos" would result, as Hirota knew, in North and South China as soon as Japan started to restore the Manchus; hence the warning. But, succinctly stated, free of Hirota's nineteenth-century diplomatic phraseology, Japan wanted to set up two Conference halls, preferably in Tokyo with its happy environment of gold lace, hara-kiri, and Black Dragon ven-

geance for democratically-minded statesmen. On one door a placard would have read, "Chinese Keep Out." Inside, delegates from Japan, Manchukuo and Moscow would vote two-to-one in Japan's favour, signing away China's interests in Manchuria, the C.E.R., Inner Mongolia and Chahar. If, in such circumstances, Chinese statesmen declined to sit in the other hall, merely to await carbon copies issuing from the tripartite parley, it was no more than might be expected. Japan's own obvious insincerity was no sign, on her part, that she would appreciate the "mutual aid and co-operation of China."

Britain was informed in this notable speech, "that the two sea Powers, occupying geographically similar positions, one in the East and the other in the West, can effectively serve the cause of universal peace through sympathetic appreciation of their respective attitudes and whole-hearted co-operation in all quarters of the world." It maybe wondered by an untutored mind why "peace" was so often the goal of warlike Powers, burdened by crushing armaments, and why they should throw out such brave challenges to the world like this one of Hirota's: "We should not forget for a moment that Japan, serving as the only corner-stone for the edifice of peace of East Asia, bears the entire burden of responsibilities."

Remembering that the Far East had, for forty centuries, got along without Japan, her rise in sixty years from an island recluse to a "corner-stone" of peace, and self-anointed "burden" bearer of "responsibilities" for the whole of East Asia, was commendable

if not very popular. She was, of course, copying other nations, but the wisdom of her statesmen explaining in tiresome diplomatic fustian situations and policies obvious even to a school-girl, was open to question. The West had created International Law, balances of power and ententes. Western governments had invented treaties by armed force, and had broken them whenever it suited. They set the precedents, moralities, dual policies and even the language of diplomacy. But one could have hoped that the Japanese, in their wholesale imitation, might have accidentally skipped a page, and spared a wearied world the embarrassing job of listening to the same old talk, seeing the same old gestures, and feeling the same old foolishness.

Soviet Russia was a difficult problem for Japan or Manchukuo. They were prepared for any move Japan might make. Here it was not so much a lack of provocations, as an absence of one suitable for world consumption. There was Vladivostok, a ready-made danger, another "pistol pointed at the heart of Japan" right across the Japan Sea. Soviet bombing planes were within six hundred miles flight of Tokyo. An attack on Russia, in these circumstances, was a losing hazard.

Japanese "victories" were glories that took place abroad; things to read and thrill about. So far, in all her modern history, the civilian populace had not seen carnage at close quarters. They had not seen their mothers, children, friends and their dearest possessions torn, wrecked and blown to smithereens. They had, of course, experienced earthquakes and tidal waves, but

acts of God and acts of enemies were different. They might not take kindly to the experience, thinking, perhaps, that patriopathic national hysteria was not quite worth the sacrifice.

Russia might penetrate Japanese air defences and bring home the meaning of war to the people, with unforeseen consequences. Further than that, Soviet Russia made war in two ways: one at the front with weapons, the other behind the enemy's rear with propaganda. With other Powers it was different; the United States did not fight that way, and China could not. The United States, moreover, was a new factor in the situation *vis-à-vis* Soviet Russia. The two white nations had recently recognized each other. There was talk of understandings. America was planning to give up the Philippines, and draw her fleet back to Hawaii. American assistance to Russia with supplies by the North-West Passage, out of Japanese reach, was suggested. Japan might gamble with a swift give-and-take, if Russian supplies might quickly give out, as before, but with American mills just across the Arctic Circle, it was another problem.

Hirota's 1934 speech, therefore, was designed to arrange a breathing spell in violence. Pu Yi's elastic dynasty had to be prepared for its big stretch in China. Sinkiang, another of China's border states, had declared independence of China. "The new rulers have proclaimed it to be an independent Mussulman State and to have severed all connection with China. The cry of 'Expel all Chinese' had been raised, and the Chinese governor of Kashgar, the new regime's capital,

had fled. It is asserted here (Moscow) that Britain and Japan are behind this revolution just beyond the Soviet border. Anti-Chinese propaganda by Mussulmans in Sinkiang is alleged to be organized from Tokyo. Turkish officers are expected to go to Sinkiang from Japan.”¹

This secession of Sinkiang completed a long chain of events over many years, including Sven Hedin's difficulties, the long triangular struggle on the slopes of Tien Shan for boundary lines, and the visit of a princess to London in 1933. Japanese had thus, directly or indirectly, stripped China of her entire northern half circle of buffer states, and instead of “carving the melon,” she was peeling off the hard rind. The Emperor Mutsuhito's cryptic remarks to Sven Hedin, in 1908, at the end of the latter's journey from Tibet, became gradually less cryptic. He said to Sven Hedin: “You have succeeded in crossing Tibet in several directions. Let that suffice, for, remember, you might not be able to do it so easily if you should again return to those high mountain regions.”² No foreign office, British, Russian or Chinese, had wanted to issue passports or visas for that territory for many years. The trans-continental caravan routes over the Marco Polo trail had been officially closed. Even Sven Hedin had to traverse part of it in disguise before he reached Tibet.

There remained, in 1934, the intricate problem of Tibet itself, border state to both China and India. The

¹ *Daily Telegraph*, 25th January, 1934.

² Sven Hedin, *op. cit.*, p. 476.

new Sinkiang completely blocked Soviet Russia from contact with India and Tibet over the mountain passes except for a tiny pocket on the Tien Shan, where the Turkoman-Soviet Republic curled around the top of Afghanistan. Tibet was obviously next on Japan's peeling programme, but there was British India to consider, and the Dalai Lama had died leaving a pro-Chinese Panchen Lama in power. Hegemony was proceeding swiftly by destroying China's influence, but it was doubtful if even a Japanese Pan-Asianism would ever solve Tibet.

CHAPTER XVI

CHINA RESISTS COMMUNISM

COMMUNIST influence first burst upon China through Mongolia, following interminable trouble between Peking and the Mongols. Inner and Outer Mongolia were becoming increasingly nationalist in self-defence. Their potential strength in a Pan-Asiatic hegemony calls for a brief survey. The two regions covered a triangular area of about 1,400,000 square miles, populated by about two millions. The upper border—the hypotenuse—lies against Siberia, close to the Trans-Siberian Railway. Outer Mongolia is roughly divided from Inner by a three hundred mile band of desert across the triangle—the Gobi. The eastern boundary is Manchuria, and the western Sinkiang. Inner and Outer refers to physical relation with Peking.

Mongolia was ruled spiritually by a Hutuktu, or Living Buddha, with a host of parasitic lamas, and politically by a tribal-military affiliation of units distinguished by banners, forty-nine in Inner and eighty-six in Outer Mongolia. These banners were a military division of the people's fighting forces, based somewhat on the Manchu system. Although the West lumps them under one designation—Mongolians—many of the tribes—Kalmucks, Khalkas, Chahar, Bargu, Khassak

(Cossack) or Kirghiz, Buriats and various sub-groups—are racially conscious to a high degree. China treated Mongolia as a tributary buffer state, using excessive oppression to prevent their becoming autonomous. The revolutionary condition in China, from 1911 onwards, was repeated in Mongolia notably between pro-Chinese and anti-Chinese factions, the latter leaning towards both Imperial and Soviet Russia.

Imperial Russia's relations with Mongolia had been independent of Chinese approval for some years. In 1912, relying on Russian aid, Outer Mongolia declared independence, accepting a Russian Protectorate. However, the Great War intervening, that treaty fell through, pro-Chinese Mongol princes agitating for a resumption of relations with Peking. This resulted in a Tripartite treaty in 1915—Russia, China, Mongolia—recognizing China's suzerainty over Mongolia so long as it did not affect Russia's rights, or Mongol local self-government.

Red Revolution, it will be recalled, first rose in Siberia, travelling speedily westwards—Krasnayarsk, Omsk, Sverdlovsk—to the final coup in 1917. Conditions, therefore, had been disturbed for some time in Eastern Siberia. China recognized the Kerensky regime in March, but declined to welcome the Bolsheviks in November. Outer Mongolia maintained sympathies with Russians, whatever their colour. There were, also, certain other tribes—Barga, or Hailar Buriats—whose tribal region was not clearly defined by existing boundaries. They spread over into Man-

cable, post, rail, steam, and 'phone communications, the ports have dominated China's industrial, and, to a large extent, political growth from their beginning. This needs special emphasis in relation to the somewhat loosely made claims that Westerners went to China and built her modern cities from waste swamp land. Pre-industrial Liverpool, for instance, had no great need of docks, wharves, cables, 'phones, and other vital communications, but if one supposes that a suburban area with better water frontage had been built simultaneously with the opening of England to world trade, its pioneer merchants and shippers experienced, well-financed, and free of taxes borne by Liverpool residents; and suppose this suburb were given all the vital terminals of communication instead of Liverpool, it will not be difficult to imagine the suburb eventually outstripping Liverpool—in fact, it would have been a foregone conclusion. Such has been the case of Foreign Concessions and their "parent" Chinese cities. The former got all the benefits of modern progress as they were invented, benefits that would have been placed, in any other country, in the original cities.

The powerful effect of these rich, foreign suburbs in the distribution and exemplification of Western manufactures and morals cannot be over-estimated. They carried the White Man's burden as surely as it ever was carried. The pioneer foreign traders built up their suburbs on practically virgin soil. The treaties imposed by the wars of 1835-42 and 1858-60 permitted foreign access to the Chinese cities, but the

churia, right across the C.E.R., just under the "helmet" peak. The Barga were infected by revolutionary influences. They declined the Tripartite pact and demanded only Chinese republican rule in their regions, which they were granted in 1920.

Consequently, from this short survey, it will be seen that China, Manchuria and Mongolia were already astir by the time Trotsky, Chicherin and Karakhan began their formal overtures. They were also quickly drawn into the quarrels between White and Red Russians. Russian workers on the C.E.R. were ordered by Moscow to seize the line from General Horvath, Kerensky's appointee. Then the unhappy Allied Intervention began to take shape. Allied consuls at Harbin stepped in to inform Horvath that they would not recognize the Soviet delegates, and would back him in whatever steps he took to "preserve order." Quite the reverse of their 1931 attitude towards Japan.

When Horvath began to lose control over the Russian railway guards in November, 1917, the same Consuls drew up the eventual Allied military intervention plan, in case the Chinese police also lost control. The Soviet delegates wanted no more than administrative control from the White Russians in charge, which was purely a private matter between the two groups of Russians. Then the Chinese stepped in, proceeding to oppose "bolshevization" of the C.E.R. Troops were sent from Kirin.

From this date onwards to 1924, when China formally recognized Soviet Russia, there occurred another period of useless, sometimes blatantly stupid,

political and military intrigue and intervention. It was China's misfortune, as well as the Allies', to be led by statesmanship of a very inferior sort; that of short-sighted destructionists instead of long-sighted constructionists. If the rebellious South—Sun Yat-sen and his Kuomintang—were ignored for the moment, and only the Western-recognized Peking Government considered, China had an amazing opportunity to achieve her aspirations, as visualized by both North and South. But the chance was lost, thrown away, for several reasons. Chief of these was the underlying psychology of Chinese statesmen, who seemed incapable, despite their Western education, of facing up to a proposition and dealing with it in a reasonable time. The first impulse was to seek indefinite delay, sometimes with the notion that long cogitation would help to digest the proposition or re-orientate more favourable positions, and sometimes with no conceivable reason at all.

There were two possible orientations in the Soviet-China problem of 1917-1924. One was that China might eventually benefit by a Red-versus-White squabble and repossess the C.E.R., or, at least, full half-share rights to manage it, rights deprived her during the Boxer uprising. The other orientation was that, in the event of the Allies defeating Lenin's Bolsheviks by aiding Horvath, Koltchak, Wrangel, Ungern and other Whites, China would gain greater influence at the Versailles Conference, and thus wring from them her legal rights, by throwing her weight into the anti-Soviet camp.

If either or both of these orientations were in the minds of China's leaders, then they showed no signs whatever in the policies they adopted. Japan, by participating, came within an ace of capturing the C.E.R., and by dilly-dallying with the Allies, the Washington Conference and its false hopes in 1922, they eventually lost their jobs when the Revolution swept them into the discard in 1927. Of course, it may be pleaded by Peking's politico-militarists that they were justified in playing cat-and-mouse with foreign Powers so long as benefits were probable. Long experience might be said to have taught them such wisdom.

Nevertheless, had China in 1917 reasserted her territorial integrity as she did in 1905, by protesting against Manchuria being used as a battleground, she might have settled Sino-Russian relations earlier and far more satisfactorily, and increased her status at Versailles as well as Washington, thereby intrenching herself more solidly against both Japanese and Communist pressure in the future.

Instead of that, Manchuria once again became a sort of international back-yard—a piece of waste land where nations might without so much as by-your-leave stage their feuds and greedy battles. Moreover, China went into the Washington talks, knowing quite well that her neighbour Soviet Russia was not invited, and that, without Soviet co-operation in Manchuria, the Washington treaties were practically useless. How much better off China would have been in 1931-34 with Moscow's signatures to the Nine-Power and other Washington agreements needs no comment. Even if

she could not help Russia's exclusion, the way was still open to make really sound pacts with Moscow to protect her Manchurian interests. The Powers at Washington were, no doubt, as much to blame as China, but probably because Peking statesmen imagined that Russia's acquiescence could be forced by Western pressure, no responsible Chinese raised any protest at Russia's exclusion, or sought to safeguard China in Manchuria by obtaining Moscow's adherence to the Washington pacts.

If therefore in 1934, the Western Powers, despite their insincerity at Geneva—witness a “Green Hell” in the Chaco, a “Black Hell” in Liberia, a “Brown Hell” in the Yemen, and “Yellow Hell” in Shanghai and Manchuria—could look on complacently at Japan's political and economic absorption of Manchuria, consoling themselves that perhaps, after all, Manchuria might be better off, then those Chinese statesmen of the 1917-24 period had only themselves to blame.

Even in the period following, a decade of bungling, no Chinese leader, with the possible exceptions of C. T. Wang, T. V. Soong, and W. W. Yen, seemed to have the faintest idea of world trends. By a childlike faith in the League of Nations—especially with Sir John Simon interpreting the Washington Nine-Power pact as “respecting,” but not “guaranteeing” the territorial integrity of China, as though there would be anything to respect after it had vanished—even the responsible Nanking Nationalist Government seemed to have learned nothing.

Despite the world-wide collapse of Western economic systems and the complete discrediting of Western economic "experts," Nationalist China still continued to import Western economic, military, industrial and social experts from Geneva to teach China what the West proved impracticable. The result was that in 1934, China had lost Manchuria, Jehol, Mongolia, Sinkiang, the Chinese Eastern Railway and lost the sympathy of the only major Power who could save her—Soviet Russia—and was faced with the restoration of the Ching dynasty, about to claim untold millions indemnification for lost Ching property and unpaid pensions. Obviously, the latter was largely fantastic, but it contained the grounds needed by Japan for a future *casus belli* whenever she was ready to proceed with the Meiji plan.

It would be impossible adequately to cover the incidents between 1917 and 1924 in these pages; other sources are available.¹ The chief features, nevertheless, were Moscow's eventual survival and victory over the Intervention, her recapture of the C.E.R., and the development of mutual hostility between China and Russia, only partially overcome by the 1924 Sino-Russian treaty. Japanese forces had actually occupied the C.E.R. and zone in 1920, and were forced to withdraw only after the Allied Technical Board in charge protested against it.

"In the long story of intrigues and counter-intrigues at Harbin, during the first half of 1918," says one who was member of a Commission of investigation, "in

¹ Notably Robert T. Pollard, "China's Foreign Relations," 1933.

which Japan characteristically backed the reactionary General Horvath, in order to gain control of the railway, we see a fire being fanned to a blaze so as to allow deft fingers to secure the chestnuts. Had the reactionary Russian element in the Far East, and among the Cossack communities of Trans-Baikalia, not been invited to attack the Bolsheviks, there would not have been any complications which still await solution.”¹

“But Japan,” continues the writer, “required frontier warfare, since these activities on the rim of Northern Manchuria allowed her to force through the Sino-Japanese military pacts which seemed to bind the Peking government to her chariot wheel for a long term of years; and although the astute use made by the United States of the Czechoslovak impasse finally brought Allied intervention at Vladivostok and prevented fruition of the full plan, which was the Japanese military occupation of everything east of Lake Baikal, it is necessary to note that Japan has always acted independently, in spite of the Allies, in Northern Manchuria, Trans-Baikalia, and the Amur Province, and is to-day (1919) virtual master of Vladivostok and the Russian Far East.”

When Peking first heard of Communist intrigue in Mongolia in 1918, Hsu Hsu-tseng, “Little Hsu,” was sent with an army to suppress it, and he came back with a new treaty giving China full suzerainty and abolishing the Tripartite pact. Then the famous Soviet Declaration of Policy was printed and broadcast

¹ B. Lenox Simpson (Putnam Weale), “The Truth about China and Japan.”

throughout China. It read, in part: "To the Chinese people and the governments of North and South China. We are marching towards the East, not to oppress, tyrannize, or conquer, but to free the people from the yoke of military force of foreign money which is crushing the life of the people of the East, and principally the people of China. All the secret treaties concluded with Japan, China, and the ex-Allies, the treaties to enable the Russian Government of the Tsar and his allies to enslave the peoples of the East are declared null and void."

The manifesto went on to announce that the Soviet had relinquished "all the conquests of the Tsar"; would return the C.E.R. to the Chinese people "without demanding compensation"; would give up the "indemnities payable by China for the Boxer insurrection"; would abolish "all the special privileges" of Russian merchants, priests, missionaries, and extra-territorial courts; and was ready to meet China to settle "once for all, the cases of acts of violence and injustice committed towards China by former governments of Russia, acting together with Japan and the Allies."

These offers may have seemed too good to be true—at least to the Peking statesmen, just recovering, in 1919, from the defeat at Versailles. The revolutionary South, already steeped in Rousseau, Smith, Marx and Lincoln, saw nothing wonderful in the substance, but wondered if the spirit was behind it. They both—North and South—ignored it. Student demonstrations were in full swing. Makino's revelation of the secret

Sino-Japanese military pacts at Versailles stirred up anti-Japanese feeling. Students attacked the residence of Tsao Yu-lin, the pro-Japanese Anfu Minister of Communications, and burned it down. Another Anfu, Chang Tsung-hsiang, Minister to Tokyo, was badly beaten. Eventually the Cabinet fell.

In refusing to sign the Versailles treaties, China announced that "The Peace Conference having denied China justice in the settlement of the Shantung question, and having to-day in effect prevented them from signing the treaty without sacrificing their sense of right, justice, and patriotic duty, the Chinese delegates submit their case to the impartial judgment of the world." It was this national resentment that led to the Washington Conference, in which China's case was thrashed out inconclusively, and which developed the policy of hands-off-China while she was pulling out of the mess of revolution. But, as the British Foreign Minister pointed out in 1934, the Nine-Power pact had never really meant it. It was not designed to prevent any Power from occupying Chinese territory; only to "respect" it, whatever that might mean.

However, when Japan threatened the C.E.R. China felt drawn towards the Soviet, but when Japan was ousted, they drew away again. In March, 1920, the Manifesto, signed by Karakhan, was officially presented to the Peking government, with a demand for recognition. Russia badly wanted China as an ally against Japanese aggression in Manchuria and Siberia. But Chinese statesmen of that time—the Anfu clique—were too pro-Japanese, and still had their ears to the

ground listening for the footsteps of Japanese or Western money-lenders. They rejected the offer, and, furthermore, by permitting the ex-Tzarist Minister, Koudacheff, and his consuls, to function as though there had not been a revolution in Russia, and live off the Boxer indemnity funds, they forced the Soviet representatives to resentment, and, what was more dangerous, to work "underground." Recognition in 1920 would have prevented years of stupid bloodshed, prevented subversive propaganda, and saved the old and the new Republic many millions of pounds expended on "suppressing Communism," which in 1934 was still going strong.

Peking's treatment of Mongolia was equally impolitic. The Anfu were driven out of office in 1920, and with them disappeared Little Hsu, whose troops had gone so far in their excesses in Mongolia as to manhandle the sacred Living Buddha. Upon his departure, the Mongols expected better treatment, but were disappointed. There were several White Russian generals still hanging about the Far East, despite the Soviet victory. One of these was Baron Ungern von Sternberg, claiming descent from Genghiz Khan.¹ In order to escape Chinese militarists, the Mongols asked Ungern to help them, and in October, 1920, he led a mixed force of Mongols, Japanese, Buriats and White Russians against the Chinese garrison at Urga. He was beaten off, but returned to capture it with a larger force. A personal friend of the present writer, an

¹ *Sunday Referee*, London, 14th January, 1934, published an article over the signature of Ungern, and gave his history to that person, but the writer proved on inquiry to be only a relative.

American, was captured in the raid and badly treated. Ungern really wanted Mongolia as a jumping off ground against Soviet Russia, but when the Hutuktu declared independence, Chang Tso-lin was deputed to oust Ungern and restore suzerainty.

Then the Soviet intervened. They sent forces into Mongolia, took Ungern prisoner and routed his straggler army. Moscow notified Peking, but they ignored the message. Ungern's troops were driven out on 5th July, 1921, and Ungern was executed by the Red forces. Soviet troops remained in Mongolia to prevent further White raids, and the Mongols immediately set up a "People's Revolutionary Government," which developed later into the Mongolian Republic, independent, but closely connected with the Buriat Mongol Republic over the border near Lake Baikal, and part of the U.S.S.R.

Joffe, another Moscow emissary, met with similar rejection in 1922, and left in disgust for Canton. He and Sun Yat-sen signed, on 26th January, 1923, a significant statement declaring mutual recognition of the fact that "China was not yet ready for the introduction of either Communism or the Soviet system." This modifies to some extent the widely held, but incorrect, belief that Sun Yat-sen and the Kuomintang "rushed eagerly into the arms of the Bolsheviks." It was Joffe's subsequent visit to Tokyo at the invitation of Mayor Viscount Goto, and the resulting alarm in Peking, that finally brought about China's recognition of Soviet Russia.

Joffe stayed in Tokyo, but Karakhan arrived in

pioneers, following the British Consul, Captain Balfour's, lead at Shanghai, disliked the squalor and congestion within the city walls and elected to build offices and residences in riverine suburbs outside. The ground was as swampy, or water-logged in rainy seasons, as that on which the cities themselves were built, but as a recompense they were enabled to plan townships more to their European tastes, with wider streets, better roads, paths, and public utilities.

In due course, the suburbs gathered momentum, steam displaced sail, cables were laid to their front doors, the world contracted, drew closer together by several months. Chinese for hundred of miles around—buyers, sellers, agents, salesmen, interpreters, servants, stevedores, and last, but most important, political refugees—collected in the new markets by the hundred thousand. Fortunes were amassed in a few years. New faces replaced old as each crop of Western traders retired back home. Town-planning, except as a dire necessity, was unimportant to all but a small few. The earlier Taipans—firm managers—were too busy making money from commerce, or renting tenements to refugees at fancy prices, to bother about a place in which they expected to stay no longer than four or five years. The more public-spirited organised small Urban Councils, and agitated for better local government. The majority were indifferent. When cautioned by the British Minister against letting Chinese refugees live in Concessions specially set aside for foreign residents only, they defied him and his consuls. They sailed through the

Peking, with the spirit of welcome shining on everyone's face. Even the government sent delegates to meet him at the station. His arrival timed, fortunately, with some strong demands by the Powers over the Lincheng kidnapping case. He at once denounced the "unheard-of demands," and ingratiated himself with the Chinese still further. After a great deal of argument over details, including French rebukes at the "exclusion of third parties" from the C.E.R. settlement, and frowns from Japan and America, a treaty was drawn up. But the Powers' opposition almost wrecked it. The Cabinet, headed by Wellington Koo, rejected the draft treaty, and scolded C. T. Wang for "exceeding his terms of reference." But as pressure to sign came from all quarters, including Dr. Alfred Sze, Minister at Washington, Koo reversed his attitude and signed.

The 1924 treaty was based largely on Karakhan's manifesto, except as to the C.E.R. This line was to become a purely commercial enterprise; China having the right to buy it back, but with "Chinese capital," and in the meantime administer the zone and local government. Neither side was to indulge in propaganda detrimental to the other. Third parties were excluded, but when China would redeem the C.E.R. she was to be responsible for financial claims incurred "prior to the Russian Revolution of March, 1917." Russia gave up her Concessions, turned the Boxer indemnity back to China for educational purposes, regarded Outer Mongolia as an integral part of the Chinese Republic, and agreed to cancel all Tzarist treaties and replace them by others to be drawn up later.

France and Japan, of course, repeated their warnings; Japan demanding that current tariff arrangements for the transport of Japanese goods over the C.E.R. remain unchanged. France protested that her investors of 1896 had not been consulted. "Legitimate claims," replied Koo, "would not be jeopardized by the treaty." The former Tzarist officials ceased to function, and Karakhan became Ambassador, the first to hold such rank in Peking, where all the Powers had the lower-ranked Ministers. One clause reduced the C.E.R. reversion terms from eighty to sixty years, and arranged for the appointment of a new Board of Directors—five Russian and five Chinese—to displace the semi-independent White Russian, Boris Ostroumoff, and his staff.

Chang Tso-lin at that time was angry with Peking. He repudiated the Peking document, but later signed a slightly modified copy with Karakhan, called the Mukden Agreement, in the same year. The Kuomintang also repudiated the Peking pact, again revealing anything but close sympathy for Communism, with which they were charged. They permitted a Soviet consul at Canton only unofficially. In addition, another Warlord squabble for Peking broke out, and postponed further negotiation for some time. When that was over, Tuan Chi-jui, the pro-Japanese Anfu, was back in power as Provisional Executive. His Cabinet officially recognized, not only the Peking, but also the Mukden, Agreement, and took steps to bring into effect the clauses requiring a Sino-Russian Convention.

It was now the Russians' turn to delay matters. They objected to the employment of White Russian troops by Chang Tso-lin. Ivanoff, the new C.E.R. Director General, insisted that all Russian employees must either become Soviet citizens or resign. Karakhan objected to that old bugbear, the parallel railway from Taonan to Tsitsihar, which was then being built by Chinese, with Japanese finance, as a feeder for the S.M.R. over a tap-line to Changchun, eventually completed.

Matters had reached a deadlock, when the 1925 shooting incidents created an hysteria which played into Soviet hands. Karakhan and C. T. Wang began negotiations in December, 1925, but again Chang Tso-lin warned Peking that the Three Eastern Provinces were an "autonomous" part of the Chinese Republic, neither vassal nor tribute bearer, and that he would not recognize anything affecting his domains without his prior sanction. That particularly meant the C.E.R.

But in the same month, fighting broke out again. Feng had dominated the Peking Cabinet from Kalgan, and after much irritation at being called a "Bolshevik," because he bought Russian ammunition, he launched an attack on Chang's nominee at Tientsin, Li Ching-ling, deposing him from the governorship. Wu Pei-fu, beaten by Chang in 1924, also appeared on the scene at Hankow issuing vain challenges to anybody who wanted to fight.

The Conference was abruptly suspended, C. T. Wang seeking refuge in the Tientsin Concessions.

Eventually Wu and Chang patched up their quarrel and started after Feng, the "traitor and Bolshevik." Karakhan departed from Peking in disgust and for good in September, 1926. Chang arrived in Peking as Generalissimo in December, and the British Government issued its famous Memorandum, as noted, simultaneously.

Thus did Chinese governments, and through them the people, lose the opportunity to come to clean-cut, above-board, terms with the Soviet, and thereby intrench themselves in Manchuria and China. Judging from the years of underground propaganda, bitter animosities, and the troubled waters so tempting to Japanese fishermen, and the eventual loss of huge slices of Chinese territory, one would be forgiven for thinking that the Chinese statesmen had actually planned the affair deliberately.

CHAPTER XVII

WHY JAPAN STRUCK IN 1931

RELATIONS between Russia and China went from bad to worse. Between 1926 and 1930, Nanking had packed up the Soviet consuls and sent them across the border, Chang had raided the Peking Embassy, and his son, Chang Hsueh-liang, had raided the consulates at Harbin. Chiang Kai-shek had been waging continuous war on Communists in various parts of the interior, doing more damage to peaceful peasants by quartering his troops on them than the troops did by firing on the Communists. Northern militarists had reasserted themselves, and only by a slender thread could they be said to have connections with Nanking, whose bait in the form of impressive official positions was politely ignored. Chang Hsueh-liang, in Manchuria, gave them the only real co-operation, and he had raised the new Nationalist flag over all government buildings in the Three Provinces. Even the half-Russian C.E.R. adopted a hybrid Nationalist flag and hammer and sickle combination.

The critical period was 1930, in which year Western impacts, Japanese aggression, and Soviet propaganda reached, in the present writer's opinion, the supreme climax—the point at which they burst

asunder into separate vortexes which thereafter hurled about with increasing speed, while anxious onlookers awaited the moment they would collide. Had the world been wisely advised in 1930, it might have been spared much of the pain it was bound to endure in the fourth decade.

There had developed in new Nationalist China a new attitude towards the old unilateral treaties—the doctrine of *rebus sic stantibus*. The principle, of course, was old, but the application was new. Broadly used, it meant that the old treaties were no longer binding because of the lapse of time and the rise of entirely new conditions. It had been pleaded at Versailles and Washington but to no effect. In 1930, the Chinese were beginning to assert rather than plead the doctrine, coupled with requests for the negotiation of new treaties.

Japanese treaties dated from 1896, but they incorporated many of the earlier clauses of Sino-foreign pacts. They were due to expire in 1927, and while Chang Tso-lin was still in Peking, Wellington Koo and K. Yoshizawa began to negotiate a new agreement. China proposed to discuss only general principles, omitting extraterritoriality, Concessions, and other specific privileges. The delegates wrangled over the Most Favoured Nation clause for so long that, when April 20, 1927, came round—the date of expiration—the old treaties had to be renewed for a few months. And they had to be renewed several times.

“During the course of these negotiations,” says an authority, “numerous rumours were afloat concern-

ing demands which the Japanese Government was alleged to have made on Chang Tso-lin. The demands concerned contracts to Japanese for the construction of additional railways in Manchuria, *Japanese rights to own land in the interior of Manchuria*, and the establishment of an additional Japanese consulate close to the Korean border.”¹

Again the land ownership snag to Japanese colonization in Manchuria. “These rumours,” says another source, “gave rise to a considerable amount of anti-Japanese agitation, particularly among the Chinese in Manchuria.”² “The Chinese were alarmed also by reports that American bankers were preparing to make a loan of forty million dollars to the South Manchurian Railway.” Again in December, the British newspaper reported: “At the same time a loan was to be made by the Japanese to Chang Tso-lin in return for preferential rights in Manchuria. The loan negotiations in Peking were apparently in the hands, not of the Foreign Office, but of Chang Tso-lin’s chief of staff, Yang Yu-ting.”

Here, then, is the record of that astounding piece of double-crossing played by Chang on the Japanese, and which brought about his death at their hands in a bomb explosion. “General Yang, however, on 29th November, stated to a group of foreign newspaper correspondents that the proposed American loan to the S.M.R. Company would constitute a great provocation to the Chinese Government and people.

¹ *North China Herald*, 28th April, 1928, p. 136.

² *China Weekly Review*, 24th September, 1927, p. 88.

Furthermore, said General Yang, the Chinese Government was *opposed to the construction of certain railways in Manchuria desired by Japan and by the South Manchuria Railway Company.*"¹

For more than a year, the Japanese had tried to force a treaty on China, through Chang Tso-lin at Peking. They had every reason to expect he would comply because of the men, guns, and money they loaned him in 1924 and later. Japan pretended to help him in 1928 when they cooked up a flimsy excuse and threw troops into Tsingtao and inland to Tsinan, where they hoped to interfere with or stop the revolutionary armies, under Chiang Kai-shek, then advancing on Peking. But despite rioting and Japanese shelling of the native city at Tsinan, Chiang avoided a break, crossed the Yellow River, and in May, 1928, was within striking distance of Chang Tso-lin's armies around Peking.

Yang Yu-ting's disapproval of the American loan, and his further refusal, in Chang Tso-lin's behalf, to permit Japanese railway construction in Manchuria, coming at the end of 1927, stunned the Japanese. Yoshizawa declared that they would be "very detrimental to relations existing between Japan and China with regard to Manchuria."² From a later confession, it appeared that "a secret agreement was concluded between Yamamoto, former Governor of the S.M.R. Co., and the late Marshal Chang Tso-lin,

¹ *North China Herald*, 10th December, 1927, p. 436.
Italics by present writer.

² *China Weekly Review*, 10th December, 1927, p. 32.

at Peking, in May, 1928, as regards construction of railways in Manchuria and Mongolia.”¹ The lines were the Kirin-Huining and Chang-chun-Talai, but, so the confession runs, “due to the death of Marshal Chang, nothing has come of this contract so far.” Obviously, this confession was an official afterthought, because no such contracts were produced.

As stated, the Nationalist troops were close to Peking in the month—May—they were supposed to have been signed. Chang Tso-lin had been expected by Japan, with her help at Tsinanfu, to put up a stiff fight against the revolutionary armies. The Peking correspondent of the *North China Herald*, Rodney Gilbert, cabled every day during April and May that Chang was about to launch a devastating attack on Chiang’s forces, which would soon be on the run. The “Southern rabble” was about to be annihilated. All foreign Shanghai, with the possible exception of the present writer, awaited the “inevitable” Nationalist rout.

Nobody, however, was prepared for what did happen. Instead of fighting, Chang Tso-lin fled. He stepped into his private train, on 3rd June, and started full speed back to Mukden. He never arrived. As his train was crossing a bridge near Mukden, in the Japanese S.M.R. zone and patrolled by Japanese troops, Chang’s private car, himself and another general, were blown to bits by a mine, or time bomb.

Japan’s long negotiations, sorties at Tsinanfu, backing of Chang and other sacrifices, had gone for naught

¹ *Osaka Mainichi*, 20th November, 1931.

the moment Chang fled. Japan was left "holding the baby," to all intents double-crossed, facing a Nationalist China boycott for her shelling of Tsinanfu. The Kuomintang redoubled its propagandist declarations to abolish all the old treaties, Japan's included. And this at a time when Japan was desperately wanting more privileges in Manchuria, rather than fewer. Chang's retreat took her last hope of playing one Chinese faction against another, ended her twelve year bribery campaign, and put the Meiji clock back two decades.

There was a strange sequel to Chang's death. A few months later, after his son, Chang Hsueh-liang took over the government, Yang Yu-ting and several others on the Staff were executed by the son's orders. It was not until 1932 at Geneva that China, through Dr. W. W. Yen, officially declared the Japanese responsible for Chang Tso-lin's death. Yang may have been executed for his rumoured attempt to usurp power, but it was more likely due to his highly probable "understandings" with Japanese.

Japan was next faced with the development of Nationalist China's aspirations. They had taken over the capital and shifted it to Nanking, formerly for a few years the Ming's "Southern Capital." Peking was renamed "Peiping," or Northern Peace, and the Powers were invited to move their Legations and Ministers to Nanking. Nanking thereupon launched vast, and somewhat grandiose, plans to fulfil Sun Yat-sen's principles. China's regeneration was fixed by periods, with elaborate systems of education, finance,

Victorian era with almost court magnificence. With Ascot Weeks, At Homes, balls, receptions, hunting and a pseudo-Pall Mall clubland, they arrived at the end of the century with a culture negative, exclusive, ignorant of Chinese ways or language—a culture as unrepresentative and incommunicable as can possibly be imagined.

But if they were indifferent to their role and duties as ambassadors of the Renaissance Western culture, world economic forces were more so to them. By the first decade of the present century it began to dawn upon them that the suburbs were now grown-up cities. Twenty-five or more different nationalities and thousands of Chinese, were competing successfully against the “ancient Princely houses” for the muck and truck of general merchandise. The posh tea, silk and opium “hongs” refused to touch common stuff, until the upstarts began dealing in such muck as pigs’ bristles and gut, duck feathers and peanuts, and moreover made fortunes from them. But the big fellows had been quick to realise the growing demand for Concession land and buildings. The Taipans formed real estate companies, and what they lost in mercantile competition they got back in high rentals and land prices. Their early resentment changed to welcome, and the Concessions became more congested than the native cities. When they found their suburbs cities, astonishment turned to pride. Shanghai began to stress its civic importance as an International Settlement, a cut above Concessions. Their slender justification was a merger between an almost defunct

railways, law codification, industry, town-planning, afforestation, river conservation, agricultural improvements, and, in fact, every conceivable duty of a State towards its people.

They tried to run before they could walk, and were halted by military defections, political schisms, and the ever-green Communist menace. Some Powers assisted, others hindered. They negotiated their first serious hurdle, full tariff autonomy, but did not alter the staff's status or the revenue banking methods. Foreign Concessions gave them no encouragement. The residents generally were half-scornful and half-suspicious, fortified, as would be natural, by repeated cases of over-zealousness, anti-foreign outbursts, and local litigation troubles. Shanghai's outside roads, paper-hunting damage to crops, and other local quarrels nearly always provoked one side to call the other bad names.

However, the one big hurdle remaining was extra-territoriality, as big and difficult as it is to read or pronounce. By the end of 1928, five nations had agreed to abandon the right, if other major Powers did the same, on January 1, 1930. These five were Belgium, Italy, Spain, Portugal and Denmark. Dr. C. T. Wang, previously in Peking Cabinets, was Foreign Minister, and had the task of obtaining agreement. America, Britain, and France were "sympathetic" but could not agree merely because new law codes had been drafted. They wanted something more tangible, a more general evidence that such codes were in fact, as well as in theory, practised

and accepted by all courts in all jurisdictions. They were aware that certain regions were still antagonistic to Nanking. Holland and Norway were prepared to follow the majority's decision.

C. T. Wang was not satisfied with the response, and renewed his efforts. He pointed out that Turkey had abolished the system with success, and again asked the reluctant to fall in with the views of the willing Powers. On 31st October, 1929, the British, American, French and Dutch Ministers replied separately that they would agree to a "gradual abolition," but that China must first see that her legal codes were properly enforced. France seemed to go slightly further, being willing to consider a plan when China had one ready.

China, still undeterred by these replies, announced that abolition would take effect on 1st January, 1930. Mr. Arthur Henderson, Britain's Foreign Secretary, was sympathetic, but he agreed to no more than that the date set should be considered as the "date from which the process of the gradual abolition of extra-territoriality should be regarded as having commenced in principle." Nanking's Mandate was issued, as intended, but it was understood that no practical step would as yet be taken to compel local foreigners to accept Chinese jurisdiction.

The Mandate was published on 28th December, 1929, reading, in part: "For more than eighty years China has been bound by the system of extraterritoriality, which has prevented the Chinese Government from exercising its judicial power over foreigners within its territory. It is hereby decided and declared

that on and after the first day of the nineteenth year of the Republic (1st January, 1930) all foreign nationals in the territory of China who are now enjoying extraterritorial privileges shall abide by the laws, ordinances, and regulations duly promulgated by the Central and Local Governments of China."

There was a small storm of protest. France, Italy, Brazil each had some form of objection. But Wang persevered throughout the early part of that critical year of 1930 to get Japan, Britain, America, and France to agree. At the conference with Japanese delegates at Nanking, on March 12th, 1931, Wang practically demanded the immediate and unconditional abolition of Japanese rights. This was language new to Japan of that period. Abolition meant an end to Japanese ambitions, the Manchurian castles in the air and dreams of forty years. Tokyo was bewildered. Her delegates countered with a modified plan of gradual relinquishment of consular jurisdiction in certain cities and districts. And, again their bugbear, they wanted the full native rights to buy land in "special areas" But the Chinese would not recede. In April, 1931, negotiations reached a deadlock. In May, the Nanking Government issued what amounted to an ultimatum to all extraterritorial Powers—a second Mandate, promulgating regulations to "enforce" the first, and insisting on full jurisdiction over foreigners on 1st January, 1932.

Up to May, 1931, China had taken back, by treaties of surrender, the Belgian Concession at Tientsin, and the British Concessions at Hankow,

Kiukiang, Chinkiang and Amoy. The edifice of extraterritoriality — exploitation-in-comfort — was toppling to its grave. Japan looked on while the great Western Powers were giving way to Nationalist China, Britain yielding one thing after another. And when Britain acted in China, most nations followed suit. And on top of it all, the abolition of treaty privileges.

But, the Western European and American economic systems were also toppling. The American stock market crashed. There was a stampede for tariff walls, to hide from the storm's fury. Unemployment went up as trade decreased. The West was overburdened with domestic worry, elections, fascism and gold standards. Once again, for all purposes, Japan was politically alone in the Far East, just as in 1914. In April, 1931, the Chinese were also freer of Western pressure. There was no likelihood that the Powers would have risked the task of preventing abolition, any more than they risked interfering with Japan. Consequently, China and Japan were alone, facing each other grimly on the abolition issue. In that month, the Japanese quit the Sino-Japanese conference and went back to Tokyo. Something had happened to require further examination, and that something was the completed Feetham Report.

This Feetham Report came about in a peculiar way. For some time the Powers were not a single unit in China policies. They had been split, as a body, horizontally—Western diplomats and Foreign Offices at the top, and local commercial and industrial vested

interests at the bottom. The heads and tails, so to speak, of most national groups had been at logger-heads. The tails, the local interests, raved, scolded, and argued against their heads for relinquishing Concessions to Nanking. Each surrender was labelled in their local press, "a stab in the back," "a betrayal," or "a surrender to the forces of evil." Japan had known of this horizontal split, of course; and she was to make good use later of local vocabulary about "bandits," "corruption," "China's unreadiness," and so forth.

The tails, having failed to impress with previous pamphlets, determined to present their case in book form, and, through the Shanghai Municipal Council, engaged Mr. Justice Feetham, from South Africa, to amass and edit the details. After a year's labour, the Report was completed in April, 1931, at considerable expense to the ratepayers. Japan knew this report was being prepared, for two Japanese were always on the Council. Justice Feetham laboured very hard and thoroughly, but his Report, released simultaneously in the world's capitals in May, contained nothing new, and omitted several important aspects.

The Report, as might have been foreseen, upheld the moral sanctity of consular jurisdiction, extolled the virtues of Concession administration, and condemned the Chinese. China did not recognize the "rule of law," while the Shanghai Settlement was an "Isle of Security." His suggestion was that extra-territoriality should not be given up for ten years or

so. Its publication was expected to put an end to China's untimely "aspirations," and shame the Powers into preventing further concessions.

Japan waited as anxiously as Shanghai. The world press, that conservative part of it interested in Chinese investments, puzzled through the maze of statistics, graphs, and legal dissertations. A few papers picked out and published extracts to suit their tastes, but none of them made much out of it. A pamphlet one-tenth the size, written by a journalist with an eye for news, rather than a lawyer with a passion for evidence, would have done a ten times better job. Parliaments in the main made no more sense out of it than the press, and in a week or so it was stale copy along with yesterday's newspaper. New angles were coming through other channels, and the world depression was becoming too depressing to make seven hundred pages of statistics about one far-away city attractive reading.

Foreign Offices, of course, knew what to expect from an *ex parte* statement by a Concession Authority, because they were the much-troubled head that the tail had argued with so long. In the course of a month or two the Feetham Report was dead, and might just as well have followed volume two of Lanning and Couling's History of Shanghai, to which Justice Feetham had made no reference.

But Justice Feetham had accomplished two things—both unexpected by him or his employers. The Report proved by its cool reception that the Concession case was unconvincing, and determined Japan

upon her course of action. Within four months of its issue Japan let loose a reign of terror along the S.M.R. and occupied Manchuria. Four months or so later she instituted a Yellow Hell in Shanghai, somewhat inaptly demonstrating the Feetham principles that Shanghai was an Isle of Security, and that Chinese did not observe the Rule of Law.

There were several contingencies in Japanese minds. They had taken Manchuria by force, but the larger question of foreigners in China Concessions, enjoying first-come-first-served privileges, had several angles. If the Feetham Report had inspired the West to resist abolition, it would not have suited Japan. Tokyo industrialists wanted an end to Western exploitation in China; they wanted the markets for themselves. If the West had unanimously adopted the Feetham Report, it would have meant that Japan must continue to be just a small part of the economic scheme. The unilateral treaties would still run in every corner of China and Manchuria.

Tariff autonomy had given Nanking a weapon which would have reduced Japan to bankruptcy. Japan was already paying stiff export duties on Manchurian coal, soya and grain, and paying increasing duties on her imported goods. The West had grudgingly given China the tariff autonomy they could not very well deny, but in their minds, with the Open Door still active, all nations appeared to be on the same footing. Japan, however, did not want to remain on equal terms. She was a late starter in Chinese exploitation. Other foreigners held better vantage

ground, wharfage, locations, older privileges in coast and river trade, older contacts altogether.

Japan's only way to recover this handicap was to obtain preferential treatment, not equal. And the only way she could get preferences was to occupy Manchuria by force, set up a puppet kingdom, and, in return for defence from the artificially inspired danger from a "hostile China," obtain the necessary tariff preferences; not, that is to say, separate tariffs, but rearrangements suited to Japan's particular types of imports and exports.

"The new Manchukuo Tariff Rates," says the best possible authority, "are in many cases *not more than half the old rates*, and are, therefore, very much less than the present import tariff operated by the Chinese Maritime Customs over China proper which was brought into force on 22nd May, 1933."¹ For instance, agricultural machinery, formerly five per cent, became free; chinaware reduced from forty to fifteen per cent; electrical materials from fifteen to seven and a half per cent.

Other nations, naturally, might obtain the same rates, but, says the same authority: "The lack of orders obtained by British firms in Manchuria during the past two years is mainly attributable to the falling off in the demand-price for Manchurian produce, the drop in local currencies, and the local political situation. It is to be noted that Japan has secured a substantial increase in her share of the import trade in that area in recent months." Actually in 1932, Japan

¹ U.K. Department of Overseas Trade, *op. cit.*, pp. 164, 165.

and Korea had almost half of the trade, China a quarter, and Germany and Russia the bulk of the remainder.

The Feetham Report, therefore, plus the Depression, came to Japan as a gift from the gods. Had it been adopted, she would have had to play second fiddle to the Powers for years to come, but retaining, of course, the compensation of keeping the privileges she already held. Had it been rejected, she might have had to face the world's open hostility in her Manchurian enterprise, but with the Report tabled, in the circumstances then prevailing, she could count on two probabilities. One was the Powers' indifference and preoccupation; the other was the unstinted support of the tail—the local foreign interests, hurt and angry at the way their Report was ignored.

Japan counted on the gleeful approbation of the tail of her mailed fist actions against China. The tail had more than once expressed a wish that their own heads would do the same. She could bank on their moral and material support, through their sources of news distribution, because their objectives were identical with Japan's. To some extent, the spectacular air raids on Chapei were a charity performance, staged by Japan for the benefit of Shanghai-landers, who could watch the Chinese get the thrashing they deserved. As a matter of fact, this attitude was admitted. "General and responsible British opinion," said a cablegram, "at Shanghai considers, while greatly regretting the present loss of life and property, that China is now receiving a lesson which

she *richly deserves* for continually disregarding her responsibilities.”¹

Whether or not the same responsible British opinion held similar views in 1934, there was no evidence, except widespread unemployment. But their morbid satisfaction at the massacre of innocent civilians in Chapei, who could not be “responsible” for whatever their government had or had not done, was short-lived, like the Feetham Report. “Whatever prospects the future may hold for British trade in Manchuria,” says the commercial report, “it will become increasingly more difficult to conduct business from an office in China. British firms manufacturing in China, instead of being inside a tariff barrier find themselves outside two. The tariff barrier between China and Manchuria is unlikely to affect seriously exports from the United Kingdom except in so far as the trade in cotton piece goods, at present conducted through Shanghai, will suffer in adjusting itself to new channels. Such portion of this trade as survives will probably be conducted through Hong-Kong. Both cotton piece goods and other imports from the United Kingdom will tend, even more so than is the case at present, to be shipped *direct to Dairen for distribution*, with the possibility that Dairen may become a *distributing centre also for North China*.”

Therefore, the vested interests at Shanghai, who approved one richly deserved lesson, may have had time by 1934 to consider a second lesson, that of not looking far enough ahead. Their once great commer-

¹ The Central News, 7th February, 1932, published in the London press.

American Concession and the original British area. They had drawn up a ratepayers' constitution, presented it to the British Minister and others concerned, and set about local government despite official objections. In the course of time, they negotiated extensions of the original area, spread residential dwellings and roads over the adjacent countryside, initiated civic improvements at great cost, and in order to resist Chinese Nationalism, which was bent upon resuming sovereign Chinese control over all Concessions, abolishing extraterritorial status of aliens and special privileges, they discovered numerous virtues in themselves and evils in the Chinese. They even engaged scholars to write Settlement history, but were so amazed at the naked truth that they had it destroyed.

In a sense, somebody had done a good job, but nobody knew who did it. Therefore, they of the current tenure assumed a retrospective continuity of purpose which had only the slightest foundation. Actually they had been the Topsyies of fate. Irresistible economic forces had hoisted them or at least the cities in which they resided to wealth and power—the identical forces which had built Montevideo, San Francisco, Melbourne, Singapore and a thousand other ports. They pointed with excusable pride to their handiwork as something entirely original in conception and status, which was in part correct, for the foreign Concessions were the only modern cities erected by foreigners on another nation's soil. The Chinese had no ports of their own to grow—the foreigners had them all. The

cial centre, the bottle-neck of the entire East Asiatic continent's overseas trade, was being neatly displaced by Dairen, not only for Manchuria, but also in all probability for North China. Unfortunately, as the present writer knows from three decades contact, the majority of Shanghailanders were not always responsible for their self-elected "spokesmen." By 1933 they had begun to feel the edge of Japanese competition, as well as the tail-end of world depression. Hundreds of men were laid off, and many British and other foreign families were living on charity and in semi-poverty. This was not their rightful due. It was a lesson neither richly deserved nor justifiable for men who, with their wives and children, had gone out to Shanghai to mind their own business, and not to be involved nationally in foreign affairs by spokesmen who affected to speak for their entire nation.

The Feetham Report on the one hand, and the Abolition Mandates on the other were the two principal factors that brought about the Japanese occupation of Manchuria and the resulting series of crises. All other movements were subsidiary or contributory. Communism, banditry, civil strife were not the reasons; rather were they the casual, near-at-hand excuses with enough drama to be convincing to immature minds. The real, but prosaic, causes were tariffs, railways, financial and industrial interests. The amount of Chinese criminality, taken at its highest news value, was no more reason to maintain extraterritoriality in China, than racketeers, gangsters, and lynchers were reasons to demand extraterri-

toriality for twenty different nationalities in Chicago, Memphis, or New York.

The difference would appear to have been that the United States had a powerful army and navy, whereas China had neither. But it was not so simple as that; there were deeper reasons, part of the subconscious, to account for the intense hatred of foreigners for the prospect of going under Chinese jurisdiction. They stood to lose privileges, land exploitation, monopolies and what not, but those losses might be financially compensated, whereas the more fundamental objections could never be met; not, at least, this side of Paradise. An attempt will be made to analyse them in the following chapters.

CHAPTER XVIII

ROOTS OF RACIAL ANTAGONISM

IF one examines the fundamentals of East-West antagonism—broadly, the strife between dominating West and passive East, so-called—one must inevitably arrive on a plane of psychological analysis. Individuals, as such, would disappear into their respective masses, free of blame, because all life in a large measure is strife among creeds, codes and faiths; in other words, civilizations. The path would lead to hypothetical abstractions, based upon premises even more theoretically defined. Certain commentators anticipate an eventual fusion of dominant and passive creeds. It has been predicted that “the time will come when the activity of the West and the passivity of the East will form a synthesis in which the fierce antagonisms of nations and men will emerge into a higher harmony, and the loneliness of the individual, due to the divorce between his emotional and rational life, will vanish in an intuitive ‘feeling’ of oneness with the universal spirit.”¹

This consummation, commendable though it may be, is almost pure theory. If the passive East and the active West had attained to a “higher harmony”

¹ Cohen-Portheim, “The Message of Asia,” 1934.

within themselves, they might look forward to harmony with each other. In fact, neither harmony nor fusion is possible among any civilizations while the sun shines unevenly over the Earth, and maldistributes both products and labour. Furthermore, just to examine one definition, is the East really "passive"? Is a civilization which remains indifferent to the "active" mechanical gadgets of the West, as China does, and merely puts the gadgets—the activity-symbols—to logical uses without surrendering to the machine; is that a true passivity, or is it a sublime philosophy of activity, a spiritual activity unconquerable either by natural or the synthetic, auto-imposed activity of the Western machine age? The West was not always a machine thrusting into all corners of the Earth to deposit the over-production it did not know what else to do with, and it may not continue as such. Would it not be true to suggest that the West ceased to be active when it enchained machine-power, and that the East continued active by reliance upon individual manual labour?

Debate along these lines would be unprofitable, if entertaining. But in the every-day contacts between Chinese and their Western guests, it will be more satisfactory to deal with tangibles. Foreign antagonism towards the anticipated rule of Chinese goes deep enough into the realms of psychology to suit the average student.

Why were foreigners so law-conscious? why did they pick every flaw they could find in Chinese legal practice, and hold up for the world's ridicule dozens

of case-histories, which could be matched case for case from the legal annals of almost any Western nation? Surely not because they were law-breakers afraid of justice, or spent most of their time in litigation. Why did they get a Supreme Court Judge, Mr. Feetham, to come from a close contact with African natives, to examine their arguments? The average Shanghailanders, to his credit, very seldom saw the inside of a gaol, or even his consular court. If he got a summons for unpaid chits, he sent the money round with his office boy and paid into court; or else, if he could not pay, he either skipped the port or blew his brains out.

Especially bad cases, down and out financially and therefore socially, victims of liquor, extravagance and women, were quietly put on board a homeward bound steamer, their debts paid for them by an office round-robin. In the main, therefore, the consular courts were never as busy as they might easily have been, and certainly far less than in similar-sized communities in the West. Why, then, their lawyer-complex? Why was a lawyer Director-General of the Shanghai Municipal Council, and another one Secretary? It is not improbable that legal minds have a better grasp of organic law, but inasmuch as lawyers do not necessarily make good administrators there must have been other reasons.

It will be remembered that religious prejudice in the early nineteenth century was responsible as much as anything else for Westerners' refusal to live under Chinese laws. As God-fearing Christians they could

not submit to Oriental "barbarism," and this religious inhibition being closest to their inward life they said little about it. The chief exception was the loquacious American plenipotentiary of the early fifties. More than that, however, the whole problem of Western conflict with China resolved into two main issues—trade and religion. The West was thrusting both on China. Obviously, they would not be foisting the Christian religion on China if China already had a Christian religion and Christian laws. And still more obviously, China would not have rejected Christianity if her own religions and systems were within reasonable comparison with those of the West. There was, in the minds of all those official and religious pioneers responsible for the first treaties, a vast chasm between their, Western, religious conceptions, and those of the Chinese. The unbridgeable differences were taken for granted, things they never spoke about, and which must be sought between the lines of their official treaties.

In order to understand that early environment, a few notes on its chief characteristics are necessary. Canton, and to a lesser degree, Macao, were almost entirely commercial ports; the visiting Westerners were nearly all sailors. Here is a picture drawn by a witness: "Jack was there too—Jack of the clipper age, and for his enjoyment and the procurement of that refined gladness which went to earn for him his sobriquet of 'Happy Jack' due provision was made at Whampoa (close to Canton). Of course, there was the grog shop, where mystic liquor was retailed and an

orchestra of a cracked fiddle and a Chinese drum made sweet music when Jack felt inclined for a giddy dance; nothing was wanting for his pleasure, but when his unsatisfied soul longed for something better—then there was Bamboo Town. Every house was a drinking den or worse, the liquor there dispensed being probably more erosive and vivid than that supplied at the New Town . . . and since there ‘Life was strife, and strife meant knife,’ it is easily deducible that accidents may have happened. It was customary, while the ships were awaiting cargo at Whampoa, that crews should have a liberty day at Canton.”¹

“Yet,” observes an historian, “in the history of a century, there were less than a dozen cases of homicide such as to lead to international difficulties.”² Ten of those were Chinese killed by various foreign sailors and two were foreigners killed by other foreigners. There were in addition some half dozen cases of accidental deaths of Chinese, caused by sailors carelessly throwing things overboard and hitting people in small boats alongside, or discharging wads when firing blank cannon salutes. There were odd cases of bad temper, and impatience. In 1833, for instance, a merchant, Mr. Innes, was annoyed by the noise of wood-chopping near his house. He complained to the Hoppo (the mandarin looking after foreign interests at the Canton factories) who issued a futile prohibition order. When Innes again visited the Hoppo, some inmate attacked him with a chopper

¹ Lloyd, “Hongkong to Canton,” p. 27.

² H. B. Morse, *op. cit.*, vol. 1, p. 100.

and wounded his arm. Innes then demanded the man's arrest and punishment, and threatened, if his demand was not met by "sunset," although it was then 2 p.m., that he would set fire to the Hoppo's establishment. Innes made good his threat, and, like Solomon Eagle, in Ainsworth's story, came back at night and put the torch to the Hoppo's building. The next day the man was duly punished by the Hoppo, but the Canton Merchants' Committee condemned Innes' incendiarism as unjustifiable.¹

Prior to 1844, both the Americans and the British readily submitted to Chinese laws; that is, the simple merchant traders and seamen. There was, naturally among men ignorant of Chinese text and language, some doubt as to what the chief rules of Chinese law were. Actually the laws were clear and unequivocal. They were, briefly: "1. Wilful and premeditated murder is punishable by beheading. 2. For homicide during an affray, though without any express desire to kill, or killing another on suspicion of theft, or being accessory to a murder, the penalty is strangulation. 3. Persons who kill or wound another purely by accident (in such way that no sufficient previous warning could have been given) may redeem themselves from punishment by payment of a fine (about four pounds at that time) to the family of the person killed or wounded. 4. Killing in lawful self-defence is justifiable and not punishable."

The contemporary law of England at that period was much more harsh. Sheep and horse stealing,

¹ H. B. Morse, *op. cit.*, vol. 1, p. 109.

theft of sums over one shilling, the mere attempt to kill, death of a victim of bodily injury, were all punishable by death. In fact, there were some 235 capital offences. But the real difficulty of law in China was its administration, and furthermore the mutual distrust between Manchu and Westerner inspired the former and his Chinese bureaucrats to consider the latter as "barbarians, like beasts, and not to be ruled on the same principles as the Chinese." "Were one to attempt to control them by the great maxims of reason, it would tend to nothing but the greatest confusion. The ancient sovereigns well understood this, and accordingly ruled barbarians by misrule."¹

However, in addition to the known corruptibility of Chinese magistrates, there was one principle in the application of Chinese law which could not be reconciled with Western principles of justice, harsher than Chinese though they were. That was the principle of "responsibility." It was not a question of good versus evil; it was one civilization versus another. To paraphrase the above authority, every subject of the Empire was responsible for anything that may occur, however remotely connected with him. A village was held responsible if a river burst its banks; a father was held responsible for his son's offences; a shopkeeper for his assistant's assault on a customer; a magistrate for the apprehension of a murderer; a houseowner for the suicide of another on his doorstep; the driver of a vehicle for the death of a person knocked down.

Such a doctrine, applied suddenly to a strange

¹ H. B. Morse, *op. cit.*, p. 111.

community, would result in chaos, but it should be remembered that there are two sides to the infliction of punishment—the punitive and the exemplary. The fundamentals of capital punishment in modern Western States are as much exemplary as punitive, at least, so jurists would have one believe. Therefore, the vast web of responsibility, which may to a large extent account for the longevity of the Chinese civilization and its faculty for local government, was just as much a deterrent as is capital punishment in the West. With every family its own policemen, every village its own judge and jury, and every vehicle driver his own insurance policy, there was a deep-seated preventative of crime or criminal negligence. It is due to the transition of China from this “merciless” communal responsibility to the more “enlightened” codes drafted in recent years that lawlessness has been so rife in modern times.

The brutality alleged against Chinese, as previously noted, was not the principal issue, nor was it raised to such. There was the mythical “Ling Chih,” or death by a thousand cuts, but like the Indian Rope Trick, very few have come forward to say that they had ever actually seen it. The available evidence was mostly second and third hand. Torture, and refined cruelty, was part of the heritage of humanity in general, but there is no question that torture of witnesses was practised in many instances. In dealing with difficult cases, they had their “Third Degree,” “Water Cures,” and “Castor Oil” treatments. Torture was not sanctioned by Chinese law. “But, in

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most debated point in China clubs was whether the Chinese could have built similar cities had they controlled them. The foreign answer was emphatically no. Actually there is no answer, for two diametrically opposite and mutually exclusive situations cannot co-exist at the same moment. There are no comparisons, only hypotheses, and a great deal of foreign-Chinese friction and recrimination.

Consequently, where there should have been cultural contact, patience, understanding, sympathy—based upon the Westerners' own premise that advanced European civilization was superior to the stagnant, backward Chinese—there were instead exclusion, impatience, jealousy, misunderstanding and hatred. It would not be right to say that the foreign traders were wholly responsible. They were simple merchants, lower and middle class in their own lands, often successful deckhands, soldiers, sailors and a ticket-of-leave man here and there. They acted according to their light, and in some respects were more truly representative of the real West than their hand-picked successors of later years. It was a valuable lesson to awakening China to know that the hurly-burly industrial revolution in a world stampede for gold was not necessarily a medium of the highest culture, whatever its material advantages. If, in the last analysis, Chinese have not learned anything from these practical demonstrations of Western civilization, it is their own fault.

Local policy-makers were never in the ports long enough to realise that the rise of the Concessions was

Chinese procedure, as in earlier English practice, it found its place as the result of a provision which was designed to protect a person accused of crime. One accused of a criminal act is, in China, assumed to be guilty from the mere fact that he is accused."

That was not, of course, any longer true in 1934, but in essence it was the reverse of the theoretical doctrine in Western jurisprudence that an accused man is innocent until he is proved guilty. There is something to be said for this, and for Lord Hewart's interpretation of "circumstantial evidence," but it was not improbable that an accused in English courts might readily be fitted into a web of circumstantial evidence that would fit another man equally innocent. The one accused might be held innocent until proved guilty, but he is, nevertheless, the one who is asked all the questions. He is the person "charged," and it was to this extent that the Chinese accused was considered "guilty," until he was proved "innocent."

In the old Chinese system he could not be convicted without his own confession of guilt, and, therefore, the temptation of certain judges, who were at once coroners, gaol wardens, prosecutors, and sheriffs, to secure a confession by torture, was undoubtedly strong. "However," remarks the above authority, "the most potent cause" was not these illegalities, or maladministrations of law, but "the responsibility" doctrine. Western merchants did not want to be held responsible for their employees' homicides, or the ship captains for their seamen's drunken brawls. Ship-owners did not want to be responsible for the lives of

boatmen who drowned in collision with their ships. The individualist West desired only to pursue its own callous doctrine of survival of the fittest, every man for himself—a practice which washed their hands of the trouble of being their “brothers’ keepers.” They did not mind if their ill-paid, often “shanghai-ed,” crews on shore leave soaked themselves in grog, contracted and spread syphilis and gonorrhoea, and stabbed and murdered one another.

Merchant traders were unimpressed by the trail of misery—drug addicted parents, homeless children sold in slavery—attendant upon the traffic in opium, legal and smuggled, so long as they made money and became famous as “merchant princes,” fêted at Court, knighted and ennobled. Many a family of gentlefolk, many an edifice—palatial residences, great warehouses, banks, hotels—rests on the rotted skeletons of victims of the opium traffic. “The British Opium Smuggler,” wrote Lord Aberdeen in 1843, “must receive no protection or support in the prosecution of his illegal speculations. Her Majesty’s Government, as I have stated above, have not the power to put a stop to this trade on the part of the British Smuggler; but they may perhaps impede it in some degree by preventing the Island of Hongkong from being used at the point from which British Smugglers shall depart on their illegal adventures.” Lord Palmerston was to say the same thing years later, but the trade went on just the same. Opium was contraband by Chinese law, but not by British. Hundreds of British ships sailed the China Seas in complete safety. “There were never less

than three, and often as many as six opium ships lying outside Woosung (Shanghai) in the fifties, and in a single half-year some 8,000 chests had been sold for six million dollars.”¹

This, then, is a brief picture of the atmosphere in which consular jurisdiction was born, and why, briefly, the Chinese were in a sense glad to be rid of the impossible task of keeping foreign sailors in check, and the West was appeased by not having to face the bogey of a strange legal system administered by “non-Christian” natives. Each side in future, after the 1842-44 treaties were signed, were to try their own accused by their own laws. In the course of time, there were to be established some two dozen or more consular courts, and a few supreme courts in big ports like Shanghai, Hankow, Tientsin, Canton. In the smaller ports, certain consulates, of the major powers, administered as many as four or five national codes of law for groups of Westerners too small to provide their own consulates. Many consulates also looked after other nationals during periods when China, or some other Powers, were at war.

The element of religious bigotry crept in among higher officials, merchants and missionaries—the men who negotiated, translated, and signed various treaties and conventions. The wording of Article 8, of the Treaty of Tientsin, signed in 1858, by the Earl of Elgin, was: “The Christian religion, as professed by Protestants and Roman Catholics, inculcates the practice of virtue, and teaches man to do as he would be done by.

¹ Lanning, “Official History of Shanghai,” vol. 1, p. 330.

Persons teaching it, or professing it, therefore, shall alike be entitled to the protection of the Chinese authorities; nor shall any such, peaceably pursuing their calling, and not offending against the laws, be persecuted or interfered with."

But ordinary people are not state-conscious; English men and women do not go about thinking in terms of Westminster Statutes, Magna Charta, and Reform Bills; they invariably resolve their lives to the lowest common denominator of existence. They think in terms of what it costs to live, how early they must get up and go to work, their sister's wedding day, the next show at the nearby cinema, and saving up for holidays. So with the Chinese, and their Western guests in China. The average Shanghailanders has not the faintest idea by what treaties he runs a business or a shop, goes shooting up country, or plays cricket on his recreation ground. All that he, and other Concession dwellers realise is that the nasty Chinese—his office boys, coolies, laundrymen, bus drivers, chauffeurs, garbage collectors, and the armed robbers—want to become his equals; in fact, want to rule him.

They want him, of all persons, to obey Chinese policemen, lawyers, magistrates. He does not stop to think about it much. He does not reason that in China the only armed robbers are Chinese armed robbers; the only garbage collectors are Chinese garbage collectors; and the only domestic servants are Chinese domestic servants. His Settlement or Concession is built of familiar, Western buildings—his buildings. The roads are paved with blocks of macadam—his

roads. The streets and his house are lit with electric light—his electric light. The ships in the harbour, the motor buses, the trams, are all his own, personal, environment, familiar to his boyhood in the West; the things he grew up with. When he ventures beyond the boundaries, he sees the poverty-stricken native cities, and does not realize that his Settlement or Concession robbed them of growth. He thinks they are typical of Chinese “backwardness.” He trudges through flat, swampy paddy fields after duck and snipe, and remembers his Derbyshire hills and Sussex Downs. He gets a few sniffs of human manure pits at Chinese vegetable gardens, and remembers sweet English air laden with lavender and hawthorn. That’s enough for him, he concludes; he doesn’t want to see, hear, or “smell” any more of China. And as for going under Chinese law, why, don’t be silly.

He does not know that there are other places in China where the hills and valleys are carpeted with violets every Spring; places compared with which his homeland hills and downs are mere miniature landscape gardens. He does not know that the east coast of China, from the Great Wall to Hangchow Bay, is several thousand geological years behind time, and that the original coast line circled inland to a point near Kaifengfu, with the present Shantung mountains as an island. He never stopped to reason out why the Chinese could have built a lockless canal, eight hundred miles from Peking to Hangchow. It never occurred to him that the Chinese could not be blamed if their coastal hinterland was soft silt composed of

loess blown across Asia, or deposited there by river torrents. And not knowing that, he could not understand why the coast ports were flat, steamy, surrounded by cobwebby deltas, and half swamps at high tides and heavy rainfalls. If he had known, perhaps he would have turned to praise the Chinese for making them habitable, capable of sustaining life, and supporting large populations. To him the science of geology was highbrow, and being a highbrow simply wasn't done.

It did not occur to this non-highbrow that the fairest way to compare civilizations was to compare like with like. Therefore, he could not be expected to compare Shanghai's Nantao with Billingsgate, or the Chinese Bund with the East India Docks, or the Chinese native city—never at any time in its history pretending to be other than a market port—with Wapping or Southwalk, or the smelly village suburbs with Tilbury. Not having read his local official History of Shanghai, he would not know that Shanghai was called, about the time of the Norman Conquest, "Shanghai-chin," a "market-on-sea," and in earlier times a variety of names, one being "hutu," a fishing stream. He would not know either, that the locally much despised Hongkew suburb means "rainbow port." But, to know might mean highbrowism, so he simply compares his English best with the Chinese worst.

He may read in his local papers that the Chinese have defaulted on some railway, airplane, or government loan interest payments, whereupon he concludes, in full agreement with friends over a cocktail, that the entire Chinese nation is inherently dishonest—just like

his houseboy whom he recently dismissed without wages for stealing five cigarettes. It never occurs to him that his own nation in the West—Great Britain, France, the United States, Germany, Austria, Italy—has been defaulting on loans in some manner for the previous three hundred years, with, of course, varying degrees of justification, no wit more reasonable than the excuses offered by Chinese defaulters. If China were to offer—to Japan on the Nishihara loan account, or to holders of 1913 Reorganization scrip—a token payment of five per cent or suggest a conversion from five to three and a half per cent interest, they would be met with a chorus of savage astonishment, and possibly an aerial bombardment.

One of his favourite topics when berating China is the size and cost of China's military establishment. China, he observes, has the "largest standing army in the world—over two million men—no wonder the Chinese are impoverished." The Chinese spend, he quotes, some hundred and fifty million dollars a year on soldiering and scrapping—roughly about ten million pounds. Having been away from Europe for some years, and being quite out of touch with home affairs, he has not read the Archbishop of Canterbury's speech in 1931, pointing out that Europe was then spending two million pounds sterling daily, and Great Britain 200 pounds a minute, preparing for war. Taking the population of Europe at half China's, the Chinese would have to spend, at the same ratio, seventeen and a half billion dollars a year to equal Europe's expenditure; and also to equal Great Britain, China

would have to spend, not a mere 200, but 1,800 pounds a minute; whereas, in fact, China spent only 19 pounds, with every reason in the world—foreign aggression, Japanese military expansion, threats of Manchu restoration—why she should possess greater armaments than any other nation.

The non-highbrow critic comes to note that Chinese do not play cricket or rugger or strut about in multi-coloured blazers and old school ties. In his mind these social lapses are barely compensated by their excellent aptness for soccer—never a true Varsity man's game—and a fair ability at lawn tennis. And when he finds no native enthusiasm for hockey, badminton or polo—not even lawn bowls—his contempt is complete.

This sad Settlement dweller draws within his shell, meets only his personal acquaintances, and retires to the daily round of golf, tennis, racing, annual St. George's balls, and dinners for old Public School-tonians. He picks up in the course of a local athletic career a few dozen silver pots—unless he happens to be a cripple—and in ten, fifteen, twenty years retires back home to his hills and downs, regards his former old Chinese servants with a certain amount of fondness, but retains a contempt for what he believes is "Chinese civilization."

He never learned to read Chinese, and with rare exceptions can only gabble a few phrases of the speech, mostly colloquialisms. This fortifies his pose among his narrow circle of acquaintances as an "authority on China." That is why, even in 1934, not even the newspaper correspondents, supposed to have their

fingers on the pulse of public opinion, could cable their London papers what the Chinese press thought about Far Eastern affairs. And there were dozens of big dailies with circulations of millions all over China. The Chinese press, they might say, was "inspired," or "dictated to by militarists," but so were many of the big papers of the West inspired by armament, tobacco, oil, and banking interests. That did not prevent cables telling of what American, French, German, Italian, or Japanese newspapers thought about current events.

It might have been indicative of the ambivalent nature of certain antipathetic critics, that the Englishman who, for more than two decades, was loudest in his condemnation of Chinese immorality, came from Brighton. An American who staunchly upheld the "rule of law" came from New York, where he at once made a point of frequenting saloons, waiting for the inevitable brawls, and rushing up to offer his legal services to one or other of the injured persons. One was deported from Soviet Russia, another was a pill salesman from New York, still another was a soldier in the American forces during the Spanish-American war. All three had from time to time offered their services to various Chinese political factions only to be rejected or unpaid. Thus they became bitterly anti-Chinese.

However, there was not even personal contact between the lonely Concession hermit and his Chinese contemporaries. Now and again, a notable Chinese politician or merchant would be invited to talk—in usually perfect English to hosts who knew no Chinese—to local foreigners at rotary clubs or association

banquets. They sat next to him, and were never guilty of committing the *faux pas* of asking "You likee nicee soupee?"; they knew only too well that he spoke correct English; "clever devils, these Chinese." They listened politely to his talk—generalities as befitted a guest of honour—toasted his health, shook hands in good, honest, bluff Western fashion, and when he turned to leave, winked at one another and called for a quick one.

The hermit never met, on level social ground, even the middle class Chinese, because his doctors, lawyers, councillors, and the like, were other Westerners like himself. He never met any of the upper class, for the same reasons; his "rulers"—the Ministers, Consul-Generals, Supreme Court Judges—were also his own nationality. Thousands of Chinese officials and professional men lived in the Settlement and Concessions—men who had been educated in Oxford, Cambridge, Manchester, Harvard, Yale, Princeton, Sorbonne, Heidelberg, Berlin, London, in fact, everywhere that Shanghai hermits themselves might have been educated.

But there was no common meeting ground. The two social scales, the two standards of living were socially different. The Chinese wage scale left off where the Western scale commenced. The lowest paid foreigner received slightly more than the highest paid Chinese. And the lowest paid foreigner was not educated, not cultured, not capable of meeting the educated Chinese on common cultural planes. The foreign complement of the university educated Chinese received three to four times the latter's salary.

The doctor, lawyer, consul, banker, firm manager,

coincident with the decline of the corrupt Manchu dynasty. These effete autocrats and their paid Chinese bureaucrats conducted a despairing campaign of obstructionism against both the Concessions and their commerce. Europe's well-known methods of colonization, of course, and her noisier patriots' jingoism rendered even the most innocent local movements suspect. In the resulting friction, Western Powers felt obliged in the first instance to enforce treaty observance on the Manchus and to consolidate the Concessions against harmful intrusion, real or fancied, particularly during the prolonged revolution following abdication of the Manchus in 1911. The Powers, after attaching several ports as naval bases, stationed gunboats at the principal treaty ports, garrisons at Tientsin, Legation guards at Peking, and latterly garrisons at Shanghai.

Concession status was based upon two principal, complementary doctrines. One that they should be exclusively for foreign use, the other that they should be neutral in China's domestic and international affairs. The first has been abused by foreigners themselves, but the second has been proclaimed as their prime virtue. How effectual this neutrality proved in practice will be drawn from the following paragraphs.

Caught in between these two doctrines was the problem of local, municipal and police jurisdiction over Chinese resident within the Concessions. Under one doctrine, they had no right there; under the other, once in, their submission to foreign jurisdiction could not help but involve Concession authorities in

who had been up at Oxford or Cambridge entertained in style. He could afford big cars, big houses, big gardens, big dinners. But the Chinese of the same status could afford none of these things; he could not cultivate his foreign mental equal because he could not with proper dignity reciprocate. And dignity lies just as deep in the Chinese consciousness as it does in the Western. The only alternative was for the Chinese doctor or official to entertain and be entertained by uneducated foreign tax collectors, shop assistants, building superintendents, and junior staffs of merchant firms—a totally impossible and unworkable social basis, for quite obvious reasons.

Even if the financial difficulty were removed, and cultural equals could hold intercourse, there was still the political difference. The prominent Western host could not sit by the fire chatting with his Chinese guest, as men do, for the simple reason that the former might have a guilty conscience. He may have been reported the day before, in a company annual meeting, as attributing trading losses to "chaos in China" instead of to mismanagement, and for that reason would feel ill at ease in the presence of a Chinese. The guest might ask him if he didn't think Western political interference, money-lending, gun-running and debased silver might have something to do with trading losses. The Chinese might even remark that there were other places in the world besides China, where people made livings, and that if things were so bad in China, why did foreigners stay?

Then there was the cultural and educational side.

The Chinese guest would be able to discuss world affairs—politics, Geneva, economics, gold standards, art, music, communism, but the host could not reciprocate. His mind for years had seldom gone farther than dogs, ponies, mosquito-killer, and bridge. In ninety-nine cases out of a hundred he would know nothing of Chinese literature, art, music, language; not even of early Sino-foreign contacts. He might commit several blunders; perhaps say that “junk” was a Chinese word, or that Confucius was that man’s real name. He might refer to some prominent Chinese politician as a “scoundrel,” only to find him a distant relative of his guest.

Suppose it were possible that they could get down to brass tacks, and say what they felt. The Westerner might begin about missionary men and women beheaded by Chinese bandits. The Chinese might then bring up the Laming Flat massacre, the Nanking Road, Wanhsien and other incidents. This might lead the Westerner to mention armed robbers kidnapping Chinese merchants right there in Shanghai. To which the Chinese in all likelihood would retort by pointing to the Lindbergh baby, Al Capone, Dillinger, Machine-gun Kelly and other racketeers. That would provoke the Westerner to mention political and commercial “squeeze” in China, and the Chinese might then reel off a long list of Western graft, including Kreuger, Bottomley, Stavisky, and the Harris fire-raising cases.

In due course, a mess of criminality would be bandied back and forth. A listener, hidden behind a door, would hear of things like Teapot Dome, war-profiteers, sales of titles of nobility, Tammany Hall,

high costs of democracy's elections, lynching of negroes, smash-and-grab raids, husbands poisoned wholesale in Hungary, massacres of Communists in Canton, Duesseldorf vampire murders and so forth until he was thoroughly nauseated.

"Well, suppose we take crime in the East as a whole, and in the West the same way, and call it quits; what about your civil wars?" may be the next question. "Oh, those," the Chinese might reply, "well, what about your famous Balkans, your 800 wars during the Christian era?"

"I know," the Westerner would say, "but I was thinking more of social immorality." "Yes," the Chinese might say, "so was I. I had in mind your societies for prevention of cruelty to children and animals, your divorce rates, your drunkenness, your low 'age of consent,' your illegitimate children."

"True enough," the Westerner would observe, "but at least we punish our evildoers; we put them behind bars when we can." "Granted," the Chinese would reply, "so do we, but your crime and immorality go on just the same, punished or unpunished."

"Certainly," the Westerner would agree, "but we have in our society, at any rate, the satisfaction of seeing them get their deserts. Of course, we also see that our convicts are treated humanely in decent prisons." "Are you quite sure?" the Chinese might ask, "why is it you imprison men and make innocent wives and children suffer? why do you imprison comparative boys and girls, laying upon them the stigma of gaol sentences, and later, when they are released, refuse to give them employment?"

"Well," the Westerner would retort, "we must observe decency, keep up our codes and all that sort of thing." To which the Chinese might remark, "Then, you mean to say that your punishment in gaols is no punishment; that there's no expiation of one or more lapses from your accepted codes; once fallen you stay fallen." "It's a warning to others," the Westerner may interject. "So you say," would remark the Chinese, "but actually it is no warning; your system does very little to retrieve the law-breaker."

"That's the way the world's made," the Westerner might say, "you do the same in China." "Oh, no we don't," the Chinese could object, "while our collective responsibility lasted—before you put cheap automatic pistols into the hands of our criminal classes—we avoided the law. We didn't hand over every petty thief, embezzler, forger to the first policeman. We reported to their families, and got the money paid back, without scandal and publicity, and thus saved government time and money on ponderous and pompous criminal trials, and prison maintenance."

"Yes, admirable practice, so far as it went," the Westerner might say, "but what about the punishment? you must punish to stop crime." "That's where we differ," the Chinese could reply, "wrong-doing with us is very often a matter of degree, of temptation unfairly placed in the way, people with low salaries handling large sums of money. You know, or ought to know, that few men go wrong without some fundamental reason, sick family, flooded out farmlands, hunger, the time-lag between immediate want and its slow fulfilment; and, after all, man-made laws are not

necessarily moral, are they?" "Yes, yes, but we've got to have some damn' rules for the game, you know," the Westerner would interrupt, "and the man who doesn't play to the rules has to be punished—why, the whole business——"

And so a somewhat mythical conversation, never likely to take place, might go on indefinitely. But no Westerner's patience would have lasted five minutes in such an argument, and because he knew there were "two sides to a question," he took good care not to run foul of the other side. By "Westerner," of course, is meant those responsible as small officials, councillors, committees for maintaining local status against Nationalist Chinese clamour for sovereign rights.

They were not afraid of what Chinese courts would do to them, and had no cause to be. They were afraid of what the Chinese courts would *not* do to Chinese defendants. Chinese law, even under the new codes, was not punitive enough. Behind the law were Chinese jurists, with traditional leniency to wrongdoers, and behind the jurists was the broad background of Chinese suffering at the hands of Western aggressors.

Foreigners had a long innings of easy exploitation, easy commerce and easy money. For eighty years at least—the full life of the oldest resident—they had ridden rough-shod over Chinese protests and aspirations, and, in all fairness, had done much good according to their light. Nevertheless, in answer to Manchu bureaucratic obstructionism, they had replied in kind; throwing up stiffer legal barriers at each step. There was much justice in their case, and much selfishness. They knew that in Britain, upon which

their "practically British" local rules were based, any urban council that dared to raise assessments in order to keep rates down would be censured, and probably beaten at the polls. They knew that they had no right to keep Chinese, who paid most of the revenue, from having representation on the council, or from using the public parks and playgrounds. They should not have speculated with ratepayers' money by buying Tzarist notes in 1916-17, and, because they lost on the wrong horse, excluded the Soviet flag from local municipal council flag days.

But it was probable that they knew they could not satisfy China. There remained a steady undertone of animosity, flaring into bad-tempered displays from time to time. Realising that animus, and fearing for their very existence if their status were swept from under them, they had all the more aversion to Chinese jurisdiction. They felt somehow that they would not be welcomed in Chinese courts "with clean hands." It was not so much a personal guilty conscience, but an uneasy awareness of far more broadly significant elements—East versus West—Occidental civilization against Oriental—race versus race.

The Chinese could say with all honesty, "We had you living amongst us for eighty years; we were your unwilling hosts, and you our aggressive, self-invited guests. You lived with us, and we did not make a go of it. For various reasons there were barriers, financial, social, political. We never 'contacted.' We were looked upon as an inferior race; even our best types were excluded from your local administrations, parks, clubs, recreation grounds—in all of which virtuous relations

you might easily have taught us how to get along with you. You did not want us in your homes, at your firesides, dining tables, dances—not even those of us who had cultivated your Western graces in high Western academies. You cared nothing for our Chinese civilization, arts, or learning. You sent missionaries to teach us another religion, which you did not practise yourselves. What we actually required was your material, industrialized features—cheap soap and hot water, cheap clothing and food—and your aid to liberate us from the Manchu yoke.”

“We did not want your religion,” they might continue, “at any rate, we would rather have done without it, associated as it was with a conception of us as benighted heathen, and the gunfire of your armies. Your commercial and religious penetration overthrew our old civilization, and you were not as patient as you might have been, in the circumstances, at our transition from the old to the new. By your strange conception of justice, your collective irresponsibility for the wrongs done us by individuals, and your yet stranger collective responsibility where our misdeeds were concerned, you have held us back instead of helping us forward. We were weak, we know, weak and foolish in many ways; but you were strong, you could have afforded us a less harsh treatment and lost nothing thereby. And in the end, when we needed you most of all—when our provinces were being torn from us by a militant neighbour, our peoples blown to bits by airbombs—you stood by, arms folded, an excellent example of that Pontius Pilate your missionaries told us to despise.”

This and much more a Chinese could say, but did not. Squealing was not a prominent part of Chinese nature. They fell back upon an unlimited capacity for endurance and waiting. Nevertheless, they were not blind to the barriers of race prejudice that the West had erected against them, as well as against the Japanese. They could see that Western racial snobbery tended to throw both Chinese and Japanese into each other's political and economic lap.

In essence, the West had marched East, with religious and industrial trumpets heralding a great new era, an epoch in which the backward heathen would be delivered from stagnancy and ignorance. But after getting what they could out of them, and while getting it, they held them personally and socially at arm's length, as though they were untouchables. When at long last they were permitted to use the parks, join one or two clubs, and get representation on local governing bodies, the gestures were too late to be saved from the feeling of making the best of things.

These, and many minor differences, were the atmosphere in which Chinese and Westerners lived and worked for scores of years. Such were the undercurrents of East-West bitterness, only partially lacquered over by daily business routine and polite official intercourse. These were the well-springs of racial antagonism, ranking unimportant in the minds of statesmen, but which, by their stamp of reality, personal contact—spread from Chinese to Chinese, family to family, throughout the body politic of China—gave the absoluteness of actual experience, the incontrovertible truth of people who knew.

CHAPTER XIX

THE WELL OF PAN-ASIANISM

IT was too late in 1934 to stop the drift of Pan-Asianism, but not too late to prevent an anti-White Pan-Asianism. Voluntary withdrawal, however graceful, would not prevent a loss of Western prestige, but forced withdrawal would be accompanied by bloodshed. It was absolutely futile to imagine that the East's accession to parity, equality, sovereignty, would be a simple matter. The comparatively sudden release of suppressed desires would inspire a period of hysteria, a wild and fanatical explosion, over which no human agency could hope to exercise control. The extent of the reaction would be measurable only in direct ratio to the thoroughness, the grace, and the goodwill of the withdrawal.

To those who still believe in the ordained supremacy of axe and ale-house Nordics over the brown-skinned tribes, and are willing to support the means by which that conception is enforced, these notes will have very little to offer. The Earl of Elgin, to whom Britain is indebted in many ways, wrote the following paragraph in a letter to the Earl of Malmesbury from Shanghai in 1858: "The doctrine that every Chinaman is a knave, and manageable only by bullying and bravado, is, I venture to think, sometimes pushed a

little too far in our dealings with this people." If that were true in 1858, it was true a hundredfold in the fourth decade of the twentieth century, and provides the best answer to the irrepressible Nordics.

The Western Whites could no longer hold China for themselves. They were unwise to try to hold it in 1930, when China asked them politely to let go. The only world statesman with any vision at that time, Mr. Arthur Henderson, had given the West a graceful lead with "gradual abolition," which could have been implemented within twelve months. The West was either unable, or unwilling, to stop Japan from staking out Manchuria for herself in 1931. And while it harmed China politically, it nevertheless proved to China, what the Japanese had proved in 1904, that not only one Western nation, but also the entire West, was not invulnerable. The immensity of this catastrophe had not been assessed by 1934, because the purblind West could think only in terms of Japanese bonds.

Chinese are quick thinkers but slow to act. Their political instability, local feuds, and sectional warfare had engrossed them, like the West, in domestic affairs. But there were signs that they realised how close they were to their goal—the abolition of Western domination—whenever a unified government chose to co-operate with Tokyo. The one gesture by which the West could prevent that understanding was voluntary relinquishment of the domination-by-treaty doctrines, and the substitution of pacts based on racial and political equality. The sort of understanding that could be prevented was, as emphasized,

China's domestic problems. By insistence upon neutrality, plus police jurisdiction, Shanghai in particular let itself in for an amazing legal tangle that provoked interminable quarrels. This problem alone caused several riots, considerable bloodshed and loss of life, Chinese and foreign. The present writer, as a member of the Shanghai Volunteer Corps, took part in the suppression of several disorders, and witnessed at first hand their serious effects. The local English-language press naturally took its own side, while the Chinese papers spread opposite views among millions throughout China. This was hardly the sort of atmosphere for East-West cultural understanding and goodwill.

Bitterness was provoked in everyday contacts. Chinese could not join foreign clubs, or play on open spaces set apart for foreign recreation. They were forbidden the schools, churches, libraries and public parks. They had to use back staircases, or servants' lifts in buildings. They were elbowed off the narrow footpaths by irresponsible foreign youths, sailors, and beachcombers.irate foreign fares often kicked Chinese rickshaw pullers in the back to make them run faster, or hit them with walking sticks—all in full view of Chinese in the streets. Schools for Chinese were eventually built, a small park opened, rickshaw coolies better treated, violent assaults stopped, but only after much agitation and the humane lead given by such public benefactors as Ellis Kadoorie, E. S. Little, Robert Mathieson, and a determined effort by the British Consulate-General, and Courts, which severely

an anti-White hegemony, but it was too late to stop a pro-Asiatic agreement.

World conditions, however, were in a flux, vitally alive with portents of swift changes, like wind-eddies at the approach of a storm. Japanese intrigue first in Manchuria, then Jehol, Chahar, Mongolia, Sinkiang, kept alive the Chinese spark of hateful contempt for Japanese methods. But between these spasms the public mind was threshing in several directions. Chinese were demanding politely a renewal of British and American commercial treaties; government personnel was changing from the Western-minded to the Asiatic-minded; groups were propagating for big armaments—delegations were sent abroad to buy arms and planes; other sections were all for sticking to the League of Nations; others were for making peace with Japan, and still others for open warfare. The coalescence of all these divergent views in China was, in 1934, somewhat remote, but it wanted only a major stupidity on the part of the West to bring them to a focus.

And Japan; what of her "realism"; her stark reliance on armed force? Her great thrust, her enormous bluff, her apparent challenge to the world—all of it was important only as it prodded, inspired, or taunted the Chinese, and to a lesser extent the entire sun-browned tribes of central and southern Asia. Japan was, in any fair appraisal, a war-organism that any similarly equipped army of the West could have vanquished with ease. A life-sized war would have left her, in a few weeks, a hopeless economic fatality, even though her arms remained intact and her ships stayed afloat.

Japan did not desire a real test of strength; she wanted the C.E.R. but had no courage to pick a quarrel with Moscow direct. She held up the flesh-and-blood shield of Manchukuo, from behind which she intrigued for her wishes indirectly. To expand the artificial pretence of Manchukuo, Japan posed as "mediator" between her and Russia in 1933-34. At that conference, called to discuss Manchukuo's purchase of Russia's interests in the C.E.R., Russia had to talk business with a ventriloquist and his doll, listening to one while watching the other's lips.¹ During the negotiations each side charged the other with sabotage, obstruction, provocation and insincerity. Much of this propaganda was for home consumption in their respective countries, but sabotage actually reached the proportions of civil strife, with the world's press predicting war.² Undoubtedly Japanese money was being offered, the figures being stated in yen, but Japan kept up the fiction of "mediator" between Moscow and Manchukuo.

Few critics would shed tears over the ultimate fate of the C.E.R., which economically and morally belonged to no one but the people of Manchuria to whom it had brought some good and immense losses. Officially, however, Moscow had no more right to sell

¹ According to reports from both sides, Moscow asked 625,000,000 yen, but eventually reduced it to 160,000,000. Japan began with 50,000,000 but raised it to 120,000,000. Another 30,000,000 yen compensation to staff was agreed to by Manchukuo.

² M. Rudi, the Russian General Manager, reported: "Forty-three persons, including nine railway officials, murdered by bandits; over one hundred persons wounded; sixteen trains wrecked; nine bridges damaged; ninety-one stations and workers' barracks attacked; one hundred and sixteen Russian subjects kidnapped, and various other damage."

than Manchukuo, or Japan, to buy the line without the permission of China, who held indisputable rever-sionary rights, acknowledged by several contracts and treaties. And it was this aspect more than any other in that sorry mess of chicane and sabotage which bore upon the trend of Pan-Asianism. Once again, two foreign Powers used the backyard of Manchuria as a locale for haggling and brawling over China's property or interests while China stood by protesting but helpless to intercede in her own behalf.

Actually, a war directly over the C.E.R. was both improbable and unnecessary. From the moment, in 1932, that Japan—or her puppet Manchukuo—marched over that key strip of 132 miles to Harbin, and thereby cut the East-West through line to Vladivos-tok, the C.E.R., as far as Russia was concerned, was strategically and economically dead. The present writer drew attention to this elsewhere before the negotiations began, "The status of Vladivostok and the Primorsk will decline. These were valuable assets, but only in conjunction with the C.E.R. There is a round-about Northern fork of the Trans-Siberian, but it would not pay Moscow to make commercial use of it. It is wide open to military attack. Realities oblige Soviet Russia to retain, for some time at least, a conciliatory policy. Japan has also to consider what the great Trans-Siberian Railway means—the value of its contacts, through passengers and freight facilities. Any wild action that would force Moscow to retaliate by closing the Trans-Siberian to Manchuria and Japanese traffic would harm Manchuria's and Japan's

interests as much as Russia's. Whether there will be a Russo-Japanese dog-fight over the C.E.R. appears to lie outside economic facts, and to rest entirely upon the temper of the Japanese High Command."¹

The strategic effect of Manchukuo's acquisition of the line was, theoretically, that Russia's unwelcome presence in Japan's new "colony" would be eliminated, and her effective land frontier would be pushed back by as far as Japan's would be advanced—about 600 miles. As usual, the real sufferers would be the railway workers and the 100,000 Russian community of Harbin, who depended for their livelihood upon the custom, goodwill, and general economic value of the line's Russian personnel and connections. Their eventual disposition might prove a far greater problem than the railway, and being mostly White Russian refugees, they had no friends in the world.

As for the sabotage, over-zealous underlings of Japan or Manchukuo may have felt it their patriotic duty to assist the economic demise of Russian interests in the C.E.R. by making themselves as much of a nuisance as possible, but the danger of war arose, not from a direct challenge, but as a Soviet answer to Japanese meddling under cover of Manchukuo. If, for instance, Pu Yi, exercising his elastic sovereign power, were to annex the Primorsk province and Soviet troops came to get it back, then the fairy godmother from Tokyo would have to "protect" her child. Such a move would be needed to draw Russian

¹ *Daily Herald*, 16th May, 1933; article by present writer on C.F.R.

The present writer's prophecy was fulfilled by the amicable agreement reported in the London press of Sept. 25th and 26th, 1934.

forces out of their Trans-Baikal fastnesses into the open Manchurian plains, where they would be better targets for Japanese airmen. The act would also provide Japanese naval forces with the provocation to attack Vladivostok, occupy the coast province, and then establish a "defensive" campaign.

Soviet forces thus enticed from their home bases, would permit Japanese to stay close to their own. The latter's aircraft would operate from mobile aircraft carriers off the coast, a safer project than using land airdromes subject to Russian air raiders. The question was how much prodding Moscow would stand from the Manchukuo "doll," before she struck at the doll's property, and thereby "threatened Japanese interests in Manchukuo."

The inspired newspaper propaganda suggesting American interference had little substance. America was withdrawing from the Far East, and, furthermore, the bravado of Tokyo's militarists did not deceive anyone possessing some acquaintance with Asiatic psychology. Whatever the Japanese did to fortify a chain of Pacific Islands—Bonins, Marshalls, Carolines—it was at the utmost a defensive act by a Power with a guilty conscience, to guard against threats by one, or several, Powers from the Pacific. The United States was not the only Power which could send a fleet by that route. There was the Panama Canal. America, of course, had a base at Pearl Harbour, Honolulu, but in the event of a "show down" it was extremely doubtful if any Washington Cabinet could have carried the American nation with it in a fight to retain Hawaii,

much less wage war all over the vast Pacific Ocean. In any case, with an American base stuck out two thousand miles into the Pacific, Japan was entitled to reply in kind.

The immediate likelihood, in the early part of the fourth decade, was that Japan would not deliberately provoke Russia or America, but would turn her attention to China—to weak peoples who were unlikely to retaliate with a ruinous war. She had already threatened the world to stop lending China money, or selling her arms. Japan wanted an enemy that was too weak to hit back. Tokyo was preparing to spread the elastic wings of Pu Yi's Manchukuo dynasty over his former domains, hence the books and articles by friends of Japan in the world's capitals. Japan knew that China would not submit calmly, but would resent it with some show of mild violence. That would permit Japan to land forces in "defence of Japanese lives and property," as usual, and simultaneously "prove" to the world that she must restore the Manchu dynasty in the interests of "stabilization."

In a broader sense, Japanese meddling around the vast frontiers of the old Chinese Empire had a far greater significance for the world. She was setting in motion forces—some sympathetic, others antagonistic—which would develop beyond her control. The Japanese were not colonists. They did not possess the international, or even the imperialist, outlook, the attitude of reasoning patience with unprogressive peoples. They were not colonial administrators, and never would be with their conception of the State. They might inspire Asiatics, but never rule or control

them. With Chinese, Mongols, Muhammedans, Buddhists and others, Japan aspired to create—a gesture naive in its magnificence—a great Asiatic Hegemony, but which had all the promise of turning into an Asiatic Gethsemane. She was creating a monster of religious and racial antagonisms, which would carry the reawakened memory of past glories—the Moguls, the Khans, the Golden Horde, the Huns—a mass of seething conflict which would never cease to rend itself and others in meaningless struggles.

In the hydra-headed, formless conglomeration of symbol worshippers, Japan would be lost—as completely insignificant as the original seed of a jungle. Her legions of military overlords, in their role of mediators, would be swallowed, absorbed, annihilated; and in the end, what was left of the Japanese “Empire” would be found hiding its head, as in the eighteenth century, in rapt contemplation of dwarf plants, No plays and goldfish ponds.

In view of this, one could have said to Japanese militarists of the fourth decade, as to a graduate class of schoolchildren, go ahead, have your fling, if you must sow your wild oats. But before you do, consider the history books you have just read. Think of the fate of past empires based upon armed conquest, and sustained by military invasion. Consider the Persians, the Huns, Babylonians, Greeks, Romans, Mongols—Xerxes, Alexander, Attila, Genghiz Khan, your own Hideyoshi. And in persuading yourselves that the Chings could be restored to their kingdom—at a lower rank than your Mikado—against the will of

enlightened peoples, why not look up the stories of the Hapsburgs, Hohenzollerns, Bourbons, Romanoffs, Bonapartes, and find out if self-ordained ruling tribes do not outlive their governing capacity, as well as their physical fitness, by their unfortunate habit of learning nothing and forgetting nothing.

One might, in the same vein, say to the Western world: see what your policies in the East have brought about. Inspired by the motive of individual profits, you collectively and individually barged into the sleeping civilizations and woke them up by gunfire. By your jealousies and greed you forced China to deliver up to all and sundry the utmost any one of you desired. You sold Chinese mechanical playtoys, designed to make life easier and pleasanter, and the spirit shallower and weaker. You grasped their natural resources, bled them of hardly won products of their soil, pandered to their weaknesses, and puffed up their false pride with weapons for mass murder. You foisted on them religious creeds in which you did not wholly believe, and rarely practised. The Chinese were a trifle too smart to submit to your political and economic exploitation, so you made a pet of Japan, who faithfully and flatteringly copied you, even to the gold lace epaulettes and breast trinkets. Finally, when your unsound policies in China were almost defeated—defeated by an ancient race that knew the true principles of longevity—you were willing to let your protégé, Japan, step in and do the dirty work of whipping China into line, hoping, fatuously, that you might share the profits—as though Japan would be as foolish as all that.

Therefore, the world stood in the early fourth decade, stunned and half ashamed of itself; thwarted, steadily being ousted not only from its China, but also from its world, markets. It was, in effect, double-crossed by the petted Japan, which was forcing the West to sell its industrial soul for a mess of bond-interest pottage. Britain was in a mixed mind, professing staunch friendship for Japan and clapping on boycott quotas at the same moment. Japan, by that time, no longer cared what the West did. She stood politely defiant, and not a little contemptuous, of the White Horde which had played into her hands. With appetite already whetted by as flagrant a piece of colony-snatching as the Western imperialists had ever perpetrated, she went ahead with plans for another "empire," another insane attempt to make different races think alike politically.

The moment had come to review and assess the relationships between East and West. What had the West actually accomplished in China, apart from those material gadgets for which Chinese had paid through the nose, and apart from platitudinous claims put forward by auto-intoxicated Western preachers and publicists? Westernization—the new satisfaction of new wants, begetting in turn new wants and new satisfactions—was in itself a mere by-product of contact, purely ancillary to the profit-seeking motive.

No merchant ever sold a labour-saving device because it saved labour, or because his heart bled for poor overworked Chinese coolies. He never sold a bodkin or a sewing machine or a petrol lamp out of

pity for the housewife drudges and mui tsai, or a motor-car because he was sorry for rickshaw coolies and sedan chair bearers. He sold them because certain Chinese paid him more than it cost him to land them, c.i.f. His brother Westerner sold them mill machinery, dynamos, cotton spindles, and loaned them money to build railways for the same purpose—individual profit.

If the Westerner really had the slightest moral basis in business dealings, he would not have sold them, just as readily, those things which he knew were harmful. Of course, he sold them opium, morphine, cocaine, with the consolation that if he did not, others would. Not the same trader, but other traders, other Westerners. He sold them automatic pistols, rifles, ammunition, explosives. He knew that the Warlords, bandits, armed robbers, had no business buying arms—in fact, he wrote home to say what wicked fellows they were, how they ruined trade and kidnapped missionaries.

The Western trader knew that in a country the size of China, with a weak central government, that a licence to possess arms was out of the question, impossible to enforce. Where would China get money to pay the enormous civil service needed to search for forbidden small arms in a population of five hundred million? Of course, he did not sell the arms, himself; others with less compunction did that—Westerners and Japanese, of course, but not he. He, however, was the articulate Westerner, the merchant who wrote home—letters in *The Times*—talks to rotary clubs, addresses to shareholders' meetings—all about the "unfortunate era of banditry in China, the oppressed farmers with

punished British subjects charged with assaulting Chinese. The exclusive park regulations provided a *bogey which has haunted Shanghai for forty years, and which may never be laid*. The rules forbade entrance to the old Public Gardens on the Bund to Chinese, except amahs in charge of foreign children and, as elsewhere, to dogs. There was nothing serious in such regulations, and nothing more would have been heard of them—since all parks have since been thrown open to Chinese—if some council employee had not put the two rules together in one sentence on the notice board. This board was hung up in the 'Eighties, and remained there for fifteen or twenty years. Many Chinese and several reliable foreigners say they read it; present-day Councillors deny it ever existed, as would be their duty to defend their predecessors. But the ghost of a sign reading "No Chinese or dogs admitted" is liable to become a permanent legend.

Political refugees were a further complication. The early pioneers did not occupy all available Concession land at first. They merely built on the riverfront fringe; the land behind was left for leisurely development when demanded by other foreigners arriving later. But when Chinese rebellions sent rich refugees clamouring for refuge under the "neutral" guns of treaty ports—just as they fled to England from the Continent—the traders were quick to supply the demand. They rapidly filled the rest of the suburb with thousands of huts, later tenements and jerry-buildings, for which the refugees paid fabulous rents.

whom we must sympathize in their unhappy lot," and so forth. He made his own individual profit, from his own individual business, and he wanted individual credit. He wanted isolated consideration as an unrelated unit, which was totally impossible in the circumstances of East-West contacts, with Western communities grouped together in treaty ports, unified in business and social life.

He often blamed convenient scapegoats for arms and drug dealing, with as much thought as he put the blame for Chinese revolution at the door of Moscow Communists, quite unmindful of the fact that Chinese reform and revolution began in 1895, when Lenin, Trotsky and company were little boys in short pants, or whatever little boys wore in Tsarist Russia. In the same way he abhorred the illegal roulette gambling dens of his Concession areas. He was not above having a wicked fling at the local "wheel," but never felt responsible for the Prices and Garcias who ran them.

It was customary between 1926 and 1929, when Shanghai called for the Shanghai Defence Force, to refer to all unrest and armed robbery as Moscow inspired, that Russian agents supplied arms and ammunition, or the money to buy them. Doubtless, this was true in substance; every bit as true as the arms and money, sold or loaned to Chinese Warlords by the agents of world armament interests. Nevertheless, the few cablegrams to follow were published in the China-English-language press of the identical period, and will throw further light on the Western arms racket:

"Osaka, 20th December, 1927.—According to press

reports, large scale gun-running has just been discovered in Kobe. It appears that about 50,000 revolvers with a considerable quantity of ammunition have been smuggled into Japan from Germany and Belgium during the past 19 months by a group of 54 Japanese, who have now been arrested. The arms and ammunition, it is alleged, were re-smuggled out of Japan into China, their value, it is reported, amounting altogether to about 5,000,000 yen.—*Reuter's Service.*”

“*Tokyo, 15th March, 1928.*—Four persons have been arrested at Ogaki, near Nagoya, for an alleged attempt to smuggle 20,000 rifles and 200,000 rounds of ammunition into Shanghai.—*Reuter's Service.*”

“*Kiel, 10th January, 1928.*—Two hundred and fifty tons of goods which arrived here in sixteen freight cars from Halle for shipment to Oslo on the Norwegian freight steamer *Aker*, were discovered by customs officials to be munitions. Their loading on board the vessel has been forbidden pending investigation of their origin. Shipping circles believe that the munitions were intended for China.—*Reuter's Service.*”

“*Manila, 10th January, 1928.*—The *Praga*, a Czechoslovakian vessel, loaded with firearms, has put into Manila for coal. Her destination is uncertain, but her officers say that the ship will touch at Shanghai to unload her cargo of munitions for the Nationalist government, but that her ultimate destination is Chinwangtao.—*Reuter's Service.*”

“*Tsingtao, 4th January, 1928.*—A shipment of 7,272 cases of arms and ammunition arrived in Tsingtao on 1st January, by the Norwegian steamer, *Skule*, from Oslo, Norway, and according to the report were of German manufacture. The shipment was cleared through the customs by a Japanese firm of customs brokers, and immediately after landing, the arms were turned over to the troops of Sun Chuan-fang. 1,369 cases were intended for Marshal Sun, and the remainder for General Chang Tsung-chang and Marshal Chang Tso-lin.—*China Sphere*, 4th January.”

“It is a well known fact that there are men and firms in Peking and Tientsin, who are willing, for a price, to bring ammunition into China. Most of them, it may be pointed out, are nationals unaffected by the agreement among the major powers. There are nationals of the Convention (Arms Embargo) countries, too, who operate extensively here, but who obtain their supplies from non-Convention countries in non-Convention ships.—*North China Standard*, Peking, October, 1927.”

“In the witness box, Colonel Christie stated that he had been in all sorts of occupations during his lifetime, having been on the coast for 30 years, except for a break during the late war when he attained the rank of Acting Brigadier-General and was decorated by King George at Buckingham Palace with the O.B.E. During his sojourn in China he had dealings with various Chinese governments, in the first place with the Northern government, and

latterly with the Nationalist in South China, with whom he had contracted for the supply of all sorts of war materials.—*South China Morning Post*, Hongkong, 1928.” (The convicted man was later deprived of his decoration.)

Every Western nationality was mixed up in the illicit trade. An Italian gunboat discharged munitions at Tientsin for delivery to a Warlord. “Trading in arms is extensive and something must be done to reduce the available supply of unlicensed arms if crime is to be checked effectually.”¹ One of the few cases to reach consular courts threw light both on gun-running and the defects of consular jurisdiction. In 1928, a Swiss and an American were tried before their respective courts for a deal in which they had collected money from a Chinese general up the Yangtze, but neglected to deliver the munitions. The American got two years, and had to forfeit the money he held; the Swiss got four months, and kept his part of the swag. During 1927, when one part of the West was hiding behind barbed wire and soldiers encircling Shanghai, and another part was revelling in a bull market for arms, a Peking newspaper began an investigation of this “vulture trade,” as it called the traffic. Its discoveries were reported:

“Into the hell of a war-riven country last year poured more than 100,000,000 dollars worth of arms from foreign countries, many of them members of an agreement to prevent shipment of such materials. Most of the munitions were paid for in

¹ Major Gerrard, Shanghai Police Commissioner, 13th June, 1930.

threadbare similes about fish out of water, new wine in old bottles, were applied without adequately portraying the immense gap these students were forced to bridge. Chinese ancestral conceptions of family unity, filial piety, communal responsibility, nepotism had no place in their life scheme; they might love their parents, but could only despise their old-fashioned ways and rebel at attempts to make them obedient.

The missions turned them out faster than that part of China which was "modernized" could absorb them. They fretted and, in despair, rather than go backwards, they joined in the general agitation and revolt. They adopted 'isms, anything that appealed to their immature minds as a solution of personal and national ills. Many, in their mental conflict, turned against the very instrument of their awakened social consciousness and became anti-Christian. This story was old by the fourth decade.

It was the practice of bible colporteurs to report huge yearly sales of the book and tracts throughout China, but the figures were misleading, as they might well be in other lands. The Chinese, high and low, loved their written characters so much that they could not bear to see even an old newspaper blown about the streets and trod on. They put up tiny baskets on walls and posts along city streets to keep printed matter off the dirty pavements. But Chinese books were costly in the early days, accessible only to the wealthy. When colporteurs arrived with cheap editions for sale at a few coppers cash, the lowly bought them eagerly. They would have bought and read anything in their own

precious text, communist or Christian scriptures. Millions of buyers could not read what they bought, because, if they could, then the statistics of colporteurs and Chinese illiteracy were hopelessly irreconcilable. There was personal prestige, "face," satisfaction to the humblest illiterate peasant in the possession of a printed text; not unlike the satisfaction of Western newly-rich in their display of large un-cut libraries of classics. Considering the figures of illiteracy, placed at about 98.2 per cent, leaving only about six million literate, there were discrepancies in the sale of tracts and bibles which were unaccountable.

However, the really great missionaries—the Morrisons, Xaviers—would hardly have conceived themselves as disturbers, wreckers of a civilization they had set out, with personal sacrifice, to enlighten and revive. Possibly, it was not the Christian religion itself, but the practice of it, which caused the disintegration. Perhaps if Protestants had not gone out with their dissenting beliefs, and had allowed the Roman Catholics to persevere with rituals more in accord with Chinese religious ideas, China would have gone farther, and with infinitely less trouble, towards ultimate Christianity. But Protestants, especially the rich American sects, stressed religion as a concomitant of daily life, reconcilable with the struggle for existence, consistent with immediate enjoyment of the senses, something to be carried on the person, like a fountain-pen or a wrist-watch.

The attainment of Christian ideals was held indistinguishable from the accumulation of political and

economic satisfactions. That is to say; in the twentieth century it was consistent with Christ's word to travel in motor cars, wear fine raiment, play the stock exchange, bridge, football and lawn tennis; and it was no longer obligatory to follow the footsteps of bare-footed disciples in rags, not even of Christ himself. If that was the case, a Chinese might have commented inaudibly, then let us have the cars, the fine satins and the bank account—whatever it is that goes with your religion—otherwise, why give us the religion only, and keep the riches to yourselves?

And so the missions tried to create a rich, social, State religion and failed. They tried to usurp the duties of the State, placing the hospitals, schools, and colleges under Church ritual and control. Anti-Christian movements were the result. By 1934 the mission enterprise was back, rebuffed, on a secular basis subject to State registration and to laws prohibiting religious teaching except in properly constituted chapels and churches. It was about to become gradually a truly Chinese Christian church, standing on its own feet, drawing funds from members rather than from the contributions of Western bankers and ill-afforded Sunday-school penny collections. The real faith of a Jesus who walked in humility had begun to show more likelihood of succeeding in China than the previous Dollar-Christianity, with its multitudes of rice-Christians. But whatever the outcome, the Chinese assumption of control over a powerful world religion was one more significant step along the road to Pan-Asianism.

CHAPTER XX

THE BREAKING POINTS

THE road Japan took in the fourth decade was prepared for her by the West. Everything from the dual-policy to the loaned money, from the well-copied industrial system to the ill-temper of Asiatic races, was ready-made for Japanese enterprise. Pan-Asianism, a brown-yellow hegemony of half the world's population, was a reasonable probability. Their sullen hostility in a growing realization that they were not getting out of life all that should, or might, be had, needed only the lashes of Japanese whips to stir them into action. The economic theory of strife is not altogether tenable in the East, where peoples are more prone to fight for abstractions—freedom, liberty, autonomy, prestige—and are not consolable by the merely concrete. Few men are convinced that they are better off as slaves, peons, serfs than as freemen, even under the most benign autocracy. The Japanese people, themselves, were due to realise this truth before they were many years older. It was a paradox that Japanese should have based their appeal to Asiatic races upon the lure of autonomy or self-determination.

If, however, the brown-yellow peoples arrived at, or regained, their self-respect through Japanese influence, so much more would Japanese power and tute-

lage be acceptable. So it followed, that if they attained it by a voluntary withdrawal of Western domination, it would be far more difficult for Japan to make them her pawns. The West would gain no immediate benefit, if any, from the gesture; the sole consolation would be the memory of a very long and lucrative innings. What it would gain in the long run would be partial delivery from the alternative of becoming a focus for Asiatic resentment.

Asiatics have long memories; they would not forget for several generations that the West never hesitated to apply armed force to gain its ends—to apply its doctrine that the world was made for traders and shopkeepers, and that all must join in the mad race for less labour, more leisure, and unlimited wealth. The Asiatics would not forget that their wishes were not consulted as to the pace of Western penetration; in fact, they could afford to smile at the West, of the fourth decade, stoutly objecting to Japanese competition.

Western traders in China used to smile, themselves, in the early days when they heard Chinese complaints that cheap Lancashire cottons were ruining Chinese handicrafts, throwing thousands of native looms on to the scrap heap. They shrugged indifferently when they saw Chinese junks and lorchas ousted from coast and river trade, or bean oil factories ruined by imported petroleum, Buddhist temples ruined by missions, native hardware craftsmen ruined by Solingen, Birmingham and Sheffield. What did they care what became of Chinese potteries, glassworks, opticians, tinsmiths,

cobblers, lapidaries, printers and all the native arts and crafts smashed by cheap and shoddy products of European dumping factories?

When the tables were turned in 1933-34, they forgot that they once laughed. They passed resolutions with all the customary epithets about "slave labour," "debased living standards," and called for government action, quotas, high tariffs, even boycott, to "maintain Western wage levels against the sinister menace of Japanese dumping." This was an amazing reversal of the doctrine they pumped into China with lead. They forced free trade, free markets, Open Doors, and fought for thirty years against China's demand for tariff autonomy. China was not allowed to add one copper cash to her import Customs duties, until 1927. That policy was good enough so long as profits ran one way—to the West, but when the profit tide reversed to the East, they wanted tariff barriers sky high. The doctrine vanished in a cloud of hocus-pocus about "Economic Nationalism."

If the Chinese had dared, in the century prior to the war of 1914, to set up their own economic nationalism, the idea would have been bombarded out of their heads, plus an indemnity for the cost of bombardment. A serious question in the fourth decade was what Japan would do to pay back her loans and interest to the West if the latter shut down on her export trade. Was it her turn to do a bit of cannonading? What were the Chinese to do about similar payments? The world had not yet scrapped the method of paying international debts in merchandise, and it had not yet invented a

In no time, the space was all taken up. Later arrivals from Europe found the housing and real estate market at the crest of an artificial boom which remained a permanent condition. Newcomers had to compete against the wealth of Chinese merchants and officialdom to gain a foothold in both business and residence. Rent became from a quarter to one-third of the average resident's salary, and has stayed there ever since, while real estate companies, on the average, rarely pay less than eighteen per cent. and often as much as fifty.

On the pretext of congestion, the Concession authorities had their original boundaries extended two or three times, and each time filled up the space with cheap dwellings for Chinese as well as for their own peoples. It became more profitable after the turn of the century to deal in real estate than to trade. There was nothing to stop the ramp; treaties contained no restrictions or anticipations. The Chinese wanted refuge and the landlords wanted Elizabethan mansions in their declining years, and both got what they wanted. To the nervous mandarins, Taotais and Viceroys of the Manchu regime, there seemed to be no end to this recurring exploitation and expansion. The dynasty was jealous and nasty about it; modern Chinese nationalists chafed under the insults to their capacity to progress, and the futility of trying to while strangers camped on their vital terminals of trade and industry. Hence the long history of official obstruction, and nationalist rioting.

Under the neutrality doctrine, Chinese criminals,

new way. Payment in silver bullion was out of the question; the West had too much already.

Before passing on to this question of silver and China's payments, a few remarks, parenthetically, upon the status of China's Customs service will make matters clearer. From an emergency tax-collecting device in the 'fifties, the service grew into an instrument of Western commercial penetration. By arrangement, the service was controlled by a British inspector-general and a foreign staff. In many ways it was a sort of bailiff living inside the Open Door, gathering port dues and revenues from imports and exports, and with the money, paying back interest and capital on money loaned to China, or exacted by indemnities.

"The late Sir Robert Hart," says one of his former assistants, "the originator and organizer of this system, which in the popular imagination is supposed to insure the merchant and the manufacturer a successful entry into China, was something of a philosopher and a good deal of a diplomatist; and consequently he was discreet enough not to reveal to the world that he was not doing what he was supposed to be doing. The administration which he erected was simply an accountancy, which was able to justify itself because it was dealing with a foreign thing—the steamer—and which was acclaimed as a model and perfect where loans were secured on receipts, because it made bondholders believe that their interest-coupons were in charge of an institution as safe as the Bank of England."

"Yet, as a matter of fact," he continues, "the Maritime Customs has never touched Chinese life or

economics in the slightest, nor has it greatly facilitated trade, which should be its chief function. True, it has enabled merchants to unload their cargoes on a water-front against a fixed tariff; but ten minutes beyond that water-front, barriers as high as mountains may and do exist—with the markets irrevocably hidden behind them. To those who know that China's foreign trade still only amounts to six silver dollars a head per annum (the lowest percentage in the world for the greatest nation of small dealers that has ever existed) the Chinese Maritime Customs is a mere makeshift; a monument to the fierce fight which the maritime nations carried on in the early part of the nineteenth century regarding their inherent right to ports of entry along the river and coast."¹

After Sir Robert Hart's resignation in 1907, and the growth of revolution, his successors in the post of I.G. began to regard the Customs more as an instrument of the foreign Powers, an *imperium in imperio*, an adjunct of Legation Street. But by 1934, the pendulum had swung away again, and the service had become more of a Chinese service, more amenable to the trade demands of the Chinese people.

China's treatment by the West over her silver wealth was what might have been expected. In the early trading of the eighteenth century, silver paid to Western importers of opium by the Chinese began to leave local stocks depleted, and the government forbade its export. When, later, Western manufactures began to take a foothold, it solved the problem to some

B. Lenox Simpson.

extent; in fact, the swiftly growing demand in the West for Chinese tea and silk, turned the silver tide back again, bringing in the Carolus and Mexican dollars as local currency.

Silver, it should be emphasized, was more a basis of wealth than currency, which in small transactions consisted largely of copper and brass cash. Silver circulated, but in the form of sycee, or crude blocks of silver cast in moulds shaped like shoes, weighing about fifty ounces. By law or convention the unit was a "tael," or ounce of silver containing, in different gradations, from 525 to 584 grains of metal of 1,000 fineness. A shoe, or boat, of silver sycee averaged about fifty taels. No actual tael coinage existed, but various imported coins such as Carolus and Spanish dollars were evaluated locally in the silver exchange market according to their value of silver in relation to the Chinese standard tael. The Carolus was very pure but too soft, and so the less pure Mexican dollar was adopted and stood in relation to the average tael at about 1.45, or one hundred and forty-five dollars to one hundred taels.

This tael in turn stood in relation to gold standard coins of the world at the market price of fine silver bullion. It ranged over several decades from three taels to fifteen taels to a pound sterling. And this fluctuation tells its own story. Foreign banks in the treaty ports worked in three currencies. When the Chinese wanted to pay the bank for cargo on a gold currency invoice, they had to pay in dollars, which were exchanged, on paper, into taels, and the taels

were then changed into the gold currency. When the Chinese sold cargo the reverse process took place—gold into taels into dollars. And at each step the banks took a discount, because the “selling” price of silver and the “buying” price were always three or four points different.

However, in the course of eighty years’ modern trading, China very seldom had what is called a “favourable trade balance.” Her imports, with several exceptional years, were always more than her exports. In the ’seventies her exports were high, but soon fell away. Her teas gradually lost to the Ceylon and Indian competition, while silk dropped from a number of causes. Newer exports, such as straw braid, eggs, game, wood oils, soya bean, gained large markets, but never quite kept up with the increasing imports. How, then, it may be asked, did China pay her debts and indemnities? She paid them from Customs revenue largely, a charge on the ultimate consumers. The foreign banks who held her revenues used the silver to purchase gold in world markets, and, as “a seller of silver,” China paid more than the market price, and in the course of time, saw her silver purchasing power go down to the absurdly low minimum of 1930.

When “China” was reported buying or selling silver in world markets, it was not actually Chinese who were asking or offering. It so happened, that half-a-dozen foreign banks had grown to huge dimensions in the course of many years, with branches in scores of Far Eastern ports and cities. These “Eastern” banks were so well off, as they could not help but be in the

circumstances, that they had earned a reputation for soundness. In due course, they issued their own banknotes, which the Chinese accepted into local currency. It followed, naturally, that their silver basis notes had, in addition to the proper cover or reserve, attracted actual silver coins and sycee into their vaults. Chinese and foreign merchants, officials, Warlords, deposited their silver earnings, wages, loot in the banks and drew against the deposits by checking accounts, as in normal Western practice.

Their total silver deposits were difficult to assess, but early in the fourth decade there was an enormous amount of silver bullion and coin tied up in Shanghai and other Concession banks, estimated by some to total between four and five hundred million dollars in market value. By possessing this silver mass at immediate control, the foreign banks held the amazing power to control the price of China's silver. The Chinese public which held the banknotes could do nothing about it; in fact, on several occasions when some panic started a run on one of the half-dozen banks, the others came to its assistance, enabled it to "pay out" or cash all notes presented, and thus further created the illusion of security. Trusting Chinese, who held the banknotes, had no idea that their silver, in the total mass, could be used to depress the purchasing power of the very notes they held.

Whatever the causes, whether from Western control over China's silver currency, or from the unfavourable trade balance—whether intentional or accidental or due to over-production of silver generally—the purchasing power of silver began to drop from 1870, when

it was three taels to the pound sterling, and kept on dropping steadily, almost in direct ratio to Western overseas trade and local cornering of the silver markets, until it reached, in 1901, about eight taels to the pound. Following a variety of causes, silver fluctuated sharply up and down in the first three decades of this century. It topped its previous high level, but early in the fourth decade it had sunk lower than ever, reaching about fifteen to the pound. In fact, the sharp slump of 1929-30 reduced China's purchasing power by almost fifty per cent within a year.

There were many apologists, many theories for and against the effect of low silver, but the essential fact remained—China paid more for her imports, and got less for her exports. She also paid more for her “invisible” imports—loan services and indemnities—until she established the famous Customs revenue “gold unit” method of paying duties on imports from 1931 onwards. This stopped the gold to tael to dollar transfers, forcing importers to pay duty directly in gold. But the gold unit did not, of course, cover all loan services. This angle, as well as the general effect of low silver, was never stated more clearly than by a correspondent in a London newspaper, and with whom most intelligent critics agreed. He said, in part, “Like the people in British India, the people of China look upon silver as wealth—not as a coin—and an attempt to introduce in China a dollar not of full weight and fineness would therefore not meet with success; on the contrary, the silver dollar is mainly hoarded as a reserve for possible adversity.”¹

¹ Sir Henry Deterding, *The Times*, 21st May, 1934.

"I have it on the best authority," he continued, "that the so-called Chinese objection (it is significant that the Chinese Government agreed with the U.S.A. plan to try to re-establish the silver value) is really prompted by the great land interest in Shanghai, who are great land speculators, because the lower the price of silver (we have seen the same in all countries where the value of the coin was 'artificially' lowered) the higher the price of land, and as an illustration, land in Shanghai, which in 1923 was assessed at taels 1,800 a mow, has been valued by the municipal assessment early in 1933 at taels 27,000 a mow; my correspondent in Shanghai stating: 'These increases together with the decline in silver greatly enhanced the cost of living of the poor, but not their standard of living; the benefit going all to the landowners.' "

"Further," he stated, "most of the Chinese railways were built with European capital, and, therefore, financed with sterling. . . . If interest is to be paid on these loans, and divided on sterling capital, then a low silver price must have either of these two results: (a) Increased railway charges for goods and passengers, or (b) Inability to earn enough to pay interest on debts or dividends. Surely high railway tariffs (in silver) cannot possibly have any other effect than retard the development of China, and the whole world wants development everywhere to reduce unemployment."

This was the first time anyone dared to point out that the great land crusade in Shanghai, in conjunction with the same interests' bank grip on the silver hoard, was responsible for low silver; also it was the first time

that a distinction was made between "China," or "Shanghai," and the foreign vested interests that masqueraded behind those national designations. Land, and yet more land, was the ruling power, not commerce.

However, in all these spates of economic selfishness, Western traders, so-called, looked out for themselves. They contributed only indirectly to the benefit of their Eastern customers. Western governments fixed their indemnities in gold currency, and China kept paying more silver as the exchange value of that metal dropped. The action of France from 1922 onwards, following a big slump in silver, in demanding gold francs and thereby almost doubling China's debt to her, did more to embitter Sino-foreign relations than almost any other aggression of modern times. The action led to establishment of the gold-unit of revenue.

There was only one reason, in the fourth decade, why Chinese were content to let the abnormally low silver rate remain, and that reason was to foster native industries. The high silver cost of imported manufactures protected the new Chinese industrial system. From the Great War onwards, China had been erecting hundreds of small knitting, weaving, metalware, and other fabric mills—some hundred million pounds investment—and the best possible help, short of subsidy, was dearer Western imports. Japan knew this only too well. It was partly to counteract this high silver cost, plus the high tariffs, of her manufactures in the Chinese market—as well as to compete with European imports and in European markets abroad—

that Japan depreciated her gold yen currency. Most Westerners, of course, imagined that the lowered yen was aimed solely at their home markets, whereas, in effect, it killed three birds with one stone—Chinese industries, Western markets in China, and Western home markets.

Nevertheless, the Chinese could fight the lowered yen with higher tariffs. That would hit all imported manufactures, Japan's and the West's. Native industries were still protected by a raised tariff wall from all competitors. That fact, alone—the satisfaction Chinese had in the low rate of silver—was the best possible answer to those low-silver apologists in the West who denied the evil effect of low silver on China generally. The choice of Chinese leaders was, either to aim for high silver and an easy payment of loan services, or let low silver carry on and, while making it hard to pay debts abroad, yet protect her infant industries. As a matter of fact, China's loss on all economic fronts was greater than her gains in her small industrial investments, but she could hope and wait for the time when the difference narrowed, when the gains would ultimately balance the losses and thus create her own economic security.

Here, again, the shortsighted West was, to use the old axiom, hoist with its own petard. The lower the silver, the fewer the imports. Foreign traders in Shanghai were badly hit by the consequent reduction of turnover. But they would not, of course, visualize themselves as martyrs, scapegoats of their own people, the land-speculators in Shanghai, and the silver-

depreciators abroad. Their own West balanced its budgets by reducing the silver content of current coinage, and, while clinging grimly to gold-standards and neo-gold-standards and depressing silver, jacked up its artificial economics and impoverished silver standard countries. They, the middlemen agents, were caught in the meshes of a high financial policy, sacrificed not to a Cross of Gold, but to a Golden Calf, by devotees too impatient to await the tablets of Sinai, and who, in the sacred name of their idol, praised and prayed for a rise of the basic price of commodities, and in the meantime, destroyed food by fire and sea because there was plenty, blissfully unmindful of the years that would be lean.

The West could say in the fourth decade, with pride and emotion: see what we brought you—railways, machine-guns, airplanes, radio—are you not thrilled? The railways travel in one day what your junks did in two weeks; the plane will fly mountains and rivers and make your frontier tribes next-door neighbours; the radio will let you listen or talk to the whole nation and keep your civilization intact; the machine-gun will quell your riots in a few minutes. And we brought you medicine and hygiene to save life, prolong happiness, and relieve suffering.

The Chinese could watch his Western friend bursting with pride at his marvellous gadgets, and smile. Those things were not "civilization," and the Chinese knew it. His civilization had been old when the West was still barbaric; his wise men had long before learned the real meaning of life, and it was not to be found in

rebels, banditti, naturally sought the nearest hiding place from Chinese law. In fact, Shanghai, Tientsin, Hankow, became secret headquarters for revolutionary plotting against the government. For a long time Concession authorities refused to accept Chinese warrants and refused to act themselves, except sometimes to issue expulsion orders. This obstacle was in time overcome, but the difficulties were not greatly diminished as regards crime detection either for the Concessions or adjacent Chinese administrations. The tables, in fact, turned. Instead of bandits from the outside seeking refuge within, banditry and armed robbery, kidnapping and burglary reached greater dimensions within the Concessions, and the criminals fled outside into Chinese territory to escape Concession police. Official procedure with warrants was slow, police of either territory could not cross the other's boundary. Consequently it was inevitable that criminals in the modern motor car hopped from one jurisdiction to the other in a few minutes.

It was bad at Shanghai with its three areas, but in Tientsin and Hankow, with at one time nine and five Concessions respectively, the suppression of crime was almost impossible. If it were not for those handy Concession funk-holes, Chinese authorities might have been able to stamp out much of the crime and civil war from which the country suffered. Under one unified system subversive elements might have been banished, or, at least, kept away from the foreign Concessions.

It is true, of course, that the Concessions also suc-

mechanical gadgets, bits of metal and wood that flew over mountains, or talked in the parlour, or murdered people easily. To him, civilization was in things of the spirit, the mind, the soul. There was more civilization in a perfectly balanced rhyme, an ode, or the "dwei" of a properly proportioned script on a memorial scroll. Life was more completely filled by the grace of a properly turned phrase, the gesture of a hand, or the stoical smile in defeat than in all the clocks that ticked, the airplanes that ever roared, or the motor cars that ever ran down careless wayfarers.

Missionaries and the medicine had saved lives, but, in their false ethics or modesty, had failed to mention birth control. They upset the death rate, but ignored the birth rate, and there were always "too many mouths to feed." From mission schoolbooks they had learned reading, writing, arithmetic, a whole host of battle statistics and dates, algebra, geometry, geography, languages; learned all about life, but not learned life, itself. They would still have to seek a doctor to cure disease, a lawyer to get justice, a parson for spiritual guidance, and a politician for government. Girls and boys must still run to their even more ignorant parents for sex information or find out in barns and alleys. Youths would still flounder in ignorance, still be put to unsuitable occupations, learn the old religious lie, and marry with the same ignorance of sex or bringing up children.

The Chinese, of course, accepted a great many of these things. They saw the utility of steam power, plane, radio. Machine-guns were the strongest arm in

most fighting units. Railways never appealed to them deeply, for reasons noted, but motor-buses for inter-city communication, beyond which they had no need or care to travel, were popular in every district. Almost every artizan or servant owned a watch, and every office boy an automatic pencil and fountain-pen. Thousands of returned students corresponded by typewriters, millions owned gramophones, with records made in China by Chinese artists.

Towns were being electrified as fast as finance was obtained; telephones were being installed in even the most remote villages. Mills were operated by electric power, steam-driven turbines, and machine-shops were discarding belts for power-unit lathes and drills. Ships were being built of steel in place of timber, fishing junks and ferry boats were run by steam-power or motors on remote rivers and canals. In fact, so great was this spread of mechanized power that import trade was assuming in the fourth decade a larger proportion of capital goods than ever, thereby concealing the real drop in the import trade.

Vehicles of civilization though they might be, these things, to the Chinese, were not civilization, itself. They took and used them for what they were worth. Fortunately for China, the imported inventions were not seized upon by capitalists, floating large monopolies, maintaining exorbitant prices in order that a few fortunate rich investors may settle down in comfort to live upon the earnings of other men's patents, ingenuity, and labour. Any Chinese with the price bought a machine, a boat engine, a bus, or set up a factory or

an enterprise not too large for him and his relatives to handle. Small men were actually thriving against the huge petrol and cigarette monopolies. It was in 1934 a little too early to judge accurately, but there was a chance that Chinese would in due time prove to the Western world that the much-despised economic plan of "taking in each other's washing" was the solution of economic difficulties then facing the world.

The West at one time took great credit for giving China the last thing in political wisdom—democracy—government of, by, and for the people. But in the early fourth decade, the West was not so unanimous that democracy was the right system. Parts of Europe—Italy, Germany, Austria—had gone Fascist, another part had become Communist. Americans were practically under a mandated dictatorship, and were actually contending that full dictatorship was needed to solve the nation's problems. People everywhere were saying democracy was a "failure." It did not matter, of course, that the West had mistaken *laissez-faire*, individualism, party government, and an empty adult franchise for real democracy. Not at all; never having had true democracy—political, economic and social—they condemned the principle because of its substitute's unworkability.

The West was planning a new sort of mechanized political gadget—efficient, swift, effectual—but minus the philosophy of all good government, minus the very thing that caused "democracy's" failure, the people's capacity to co-operate, their knowledge of, and opportunity to participate in, the complete State

organism. This gadget, Fascism, was about to epitomize the worst dictatorial features of autocratic monarchy, and, at the same time, throw a sop to the proletariat in the shape of representation by occupation, as though a co-operative Utopia of buyers and sellers would be any more effective than the previous one of agents and cashiers.

However, what were the Chinese to think of this West, which had so bravely preached democracy up to 1920, and had even fought a war to make the whole world "safe for democracy," only to backslide a few years later when their own stupid financial system let them down? But China was ever faced with recurring examples of Western inconsistency. The foreign merchants used to scorn Chinese filial piety, family unity, and communal responsibility. British and Americans were the chief offenders, yet, when their great unemployment problem arrived between 1930 and 1935, the British especially forced sons and daughters, who had climbed out of their lowly family ruts to make something of themselves, to support shiftless parents, or obliged hard-working fathers to support worthless sons. In one case, two boys who had got along in the world were forced to contribute money to a father they had never seen. In another case, a woman had to take her daughter out of an advanced school in order to support a destitute relation. Individualism had its merits, but the erstwhile scornful West was beginning to perceive the value of social duty; which, in essence, was what the Chinese practised for centuries. Adversity had upset many pet Western doctrines.

What of the other side of the picture? What did the West learn from the Chinese in those eighty or more years of close contact? Outside a few highbrows and casual readers, the West had learned very little. Probably five million or more Chinese could read and write or, at least, speak English and half-a-dozen European languages. Against this, it was doubtful if more than ten thousand Westerners could speak Chinese, and ninety-five per cent of these were missionaries or consuls. Apart from a few poems, articles, a collection of stories, two or three volumes of classics, and one or two translated romances, the general Western reader had nothing of original Chinese literature.

The vast storehouse of China's writings, as far as the general reader was concerned, did not exist. His conception of China was bound up in the absurd, Western-invented, literary tradition as revealed in shilling-shockers and dime novels. In these, the "Chinaman" was an "inscrutable," mysterious being with a morbid tendency to villainy of all descriptions. He appeared to have a lust for abstract vengeance, and, by dipping cat's claws in poison or secreting scorpions in his victim's pyjamas, did away with his enemies—usually in the sacred name of his ancestral Gods, or some other fancy symbolism of the author's imagination.

The Chinese was portrayed in talking pictures either as the star villain or a fat buffoon, taking in copious quantities of food, and emitting strings of pseudo-aphorisms. He was made to pronounce translated

words in pidgin-, instead of correct, English. The neat Chinese word "gwei" was rendered into the ponderous and awkward "honourable," and bandied about to a nauseating degree. Thus, the gracious "gwei hsing?" was translated into the abominable "What is your honourable name?" and other atrocities. In fact, the invented "China" of the West was a mixture of Malay, Burmese and Indian barbarity, fore-castle-head jibberish, and legends of drunken beachcombers.

This picture, on screen, stage, newspaper and novel, represented the sum of Western knowledge of China after four-score years, a truly pitiful commentary upon the intelligence and craftsmanship of novelists, not to mention the taste of their publishers and public. Eighteenth-century France had known and forgotten far more than America or Great Britain had ever learned. To some extent missionaries, revisiting homelands on holiday and searching for more funds to carry out their labours, were responsible for this ignorance. Appeals to church committees naturally stressed the abnormalities, poverty, ignorance among native peasants, for whose benefit missionaries worked. To the degree in which they succeeded in getting more money, they were justified, but the impressions left behind were not to anyone's benefit.

One did not go to a policeman for an analysis of public morality, or to a divorce court lawyer for a treatise on romantic love. Why then should authority be accepted from missionaries whose zeal obliges them to stress shortcomings, or from merchants and investors whose welfare depends upon privileges intrenched in

an extraterritorial, gunboat-enforced, system contra-Chinese in its every aspect? Foreign life and property in China existed in an atmosphere of antagonism, and until the anachronistic system was abolished, neither group, Chinese or foreign, could carry on except at the expense of the other, platitudes about co-operation notwithstanding. Students and casual readers looking for that elusive "truth" about China were confronted, either openly or subtly, by *ex-parte* pleadings masquerading as impartial analyses, and omitting all the facts. It was a pity, but the floor of the House of Commons was not free from such influence, and the markets and goodwill of China were being sacrificed at the altar of ignorance—facts deliberately suppressed by private interests.

These things—the inconsistencies, ignorance, inequities—were the breaking points in East-West relations. They were sign-posts where the road parted; one way leading to Pan-Asianism, the other to Euro-Asiatic understanding. But the quagmire between them would make it impossible for those who chose the Pan-Asiatic highway ever to get back on the other road.

In conclusion, these notes will not end on the customary platitudes of constructive criticism. There was practically nothing the West could do in the fourth decade to prevent the growing crisis, or crises, that would follow Japan's Pan-Asiatic enterprise. A tactical withdrawal would achieve nothing stable; in fact, whatever the West might do in palliation would not prevent serious disturbances to trade, investments, and the personal security of Westerners residing in Asia.

Their fate was in their own hands, economically and personally, just as in the past their real fealty was more to their local Concessions than to their nations. They would be able to establish around them a niche of security in direct proportion to their goodwill towards the natives. Most of them, possibly, would have found homes in other lands well before the natives boiled up in political strife or religious feuds. The act of relinquishing domination would be taken, inevitably, as a sign of weakness, accompanied by rash demonstrations. It could not be otherwise, considering the long years of Western aggression. The best that could be expected was a reduction in the severity of reaction—a purely speculative guess in view of the impossibility to assume the relative degree of explosion.

The West's only expectation of deliverance seemed, in 1934, to rest entirely upon the Japanese people themselves; whether they would realise the futility of their military leaders' visions in time to call a halt. If the West had means by which any check could have been placed, directly or indirectly, upon those gentlemen and could have motivated that check without running the risk of making it seem a direct challenge, then the West did not appear very willing to act.

Western politicians who may have been secretly¹

¹ Reuter's Service, Tokyo, 20th August, 1934: "According to a rumour, denied by the Japanese Foreign Office spokesman, Great Britain and Japan were negotiating either for a political agreement or for a revived alliance. The alleged agreement was: (1) To retain the terms of the old agreement; (2) To create a demilitarized zone south of the Philippines and including Australia; (3) Britain to recognize Manchukuo; (4) Japan to have a free hand in North China and Britain in Central Asia; (5) The present scheme of naval limitation to be abandoned; and (6) Benevolent neutrality by each Power in case of conflict with the U.S.S.R."—*News-Chronicle*, London, 22nd August, 1934.

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obtaining "understandings" with Japanese spokesmen, and who imagined that such *pourparlers* would breed better feelings between East and West, or may achieve some fanciful co-operation or other platitudinous relationship, were due to be disillusioned somewhat abruptly. Spokesmen and statesmen come and go, but Japan's visionary destiny was beyond the control of single persons; it was the concentrated mind of an egotistic race—a people with a painful inferiority complex bent upon fixation, and headed for either glory or damnation.

Japan's dream of Empire apparently had to be worked out to its logical conclusion, and whether that end was internal disruption or an Asiatic conquest that would throw East and West into a shambles, there was no question whatever that those who occupied the world's grandstand were about to witness an interesting re-hash of the ancient story of the rise and fall of Empires.

THE END

coured legitimate refugees, acts both humanitarian and profitable. They often protected one political faction from another, and kept the Ins from unduly persecuting the Outs. Possibly the Chinese Nationalist Revolution may have to thank them for providing escape from Manchu chopping blocks. But even a left-handed altruism does not upset the fact that their alleged neutrality interfered with China's domestic relations. Nor does it evade the more serious charge that, instead of bringing a peaceful, commercial and social contact, they became, much against their wills, a score of thorns pricking and festering in the Chinese body politic.

The Concession problem, nevertheless, is many-faceted. Extreme opposite points of view are surcharged with often violent, unreasoning emotion. Valuable foreign interests on one side, super-patriotic students on the other, flood the world with unwise propaganda. More moderate opinion sees the problem in its relation to wider international affairs; its bearing on the fusion of two different cultures. The Concessionnaires — Shanghailanders, Tientsinners, Hankovians—never aspired to higher than commercial contacts. The traders confessed ruggedly to being out there, not "for the sake of their health," but "to make as much money as the law permits in the fastest possible time," and to get out while the going was good. Concessional personnel changed almost completely from one decade to another. The thin thread of continuity kept snapping and being tied again. Only custom and immediate business interests were permanent. Each

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new set of by-law makers dealt with the present and obvious, legislating accordingly. They were, after all, lower middle class merchants, not Colonial Administrators. None of them, by word or deed, even hazily realised that through the merchandise they handled they were waking up a nation of four hundred millions and closing the gap of centuries between East and West.

They had not the foggiest idea that the goods they sold in packing cases—matches, petrol, sateens, cigarettes, needles, buttons, pencils, sheetings, dynamos—were breaking down a civilization thousands of years old, smashing up family life, guild systems, handicraftsmanship, and thereby letting loose repressed forces into a social order totally unready to receive them. Culture was not the Councillors' metier. The light-hearted Councillors who ordered an official history, and the badly-shocked ones of two decades later who destroyed it, both deserve more sympathy than censure. The forces whirling about their heads were too strong, too big, for them. Even bigger men would get bowled over.

Some merchandise was of greater social danger than others. Individual merchants, openly or surreptitiously, sold automatic pistols, rifles, ammunition, explosives, narcotics at high profits. Later, they and others vehemently denounced the logical results. The firearms shot down Concession police, creating a reign of armed violence and kidnapping. Paradoxical conditions such as these call for a calm analysis rather than bad-tempered recriminations.

In their purely commercial behaviour, the mer-

chants performed their duties admirably, well within existing laws. The China coast was, of course, a Smuggler's Paradise in the early days, but the criminals were rarely of the merchant class. However, while the straight traders toed the mark fairly well, there is little indication that they felt morally responsible, as common inheritors of Western traditions, for fellow traders who broke the laws. They certainly were well aware that gun- and dope-running were going on—in many cases they knew the culprits, members often of the same clubs. The weapon of ostracism was reserved for the poor criminal, not the rich one. Broken laws of the Chinese government were left to diplomatic channels as far as possible. Concession police often raided houses where crime was retailed, but left the wholesalers very much alone.

The extraterritorial system was largely to blame. In the big Concessions—Shanghai, Tientsin, Hankow—there were as many as thirty to forty nationalities. The local municipal councils had no jurisdiction over any person except for municipal and police regulations, and even then the council had to be complainant in an offender's court. The council, when defendant, was tried in a court of consuls. Municipal police could not arrest a foreigner without a warrant from his particular consul, or courts where they had such, except for brawls and other violence in disturbance of public order. Foreign criminals, of the non-violent type—gun-runners, dope smugglers, white-slavers, gamblers—usually got too big a start on the law. They even switched from one nationality to another, or failed to

register at any consulate. In some cases, they were actually warned by their own consuls of impending police raids. Others lived just outside the Concession border and thus escaped local regulations.

Petty crooks might cheat Chinese shopkeepers, sign bogus chits, conduct confidence tricks, pass counterfeit money or forged cheques, dismiss premium-paying apprentices on cooked-up excuses, and commit scores of indictable offences. But by the time an aggrieved Chinese could search the registers of two dozen consulates, or find the money to retain a foreign lawyer, or to put up security for costs in a defended action, it was too late, if not too expensive, for a poorer class Chinese to obtain justice.

As far as the Chinese victims were concerned, these criminals were "foreigners." Whether caught or not, the Chinese press reported such cases as against foreigners. All non-Chinese in the land are foreigners, naturally, and the Chinese are entitled to regard them as such, whatever their special nationality. That is as true in England or any Western state. And herein lies the crux of this analysis. Responsible, upright foreign merchants and residents are lumped under the general designation. It might be a blow to the conceit of patriotic Europeans to think that they were all classed together as one unit, but that was the case with ninety-nine per cent of the Chinese. Americans, British, German, French and so forth all claim to be singled out—the two former, speaking the same language, shudder at the idea of being confused with each other.

Consequently, when Concession leaders—councillors,

bankers, merchants, professional men—all eminent and respectable, are charged with being responsible, as foreigners, for creating racial bitterness, they protest indignantly. They might denounce specific cases of dirty work, but they are not deeply aware of their general significance. They live for years in little circles, wrapped up in office, club, golf, race-track and home. They are not conscious of harming anybody, and if filled with an ideal, it has to do with the day of retirement to a comfortable homeland. Local English-language papers, rising to defend, point to these gradely men as gentlemen of the stoutest integrity, worthy representatives of Western traditions, and so forth. This is all true, so far as it goes, but it does not dispose of the facts. The principal fact of all was, and is, that European culture in contact with China was no better and no worse than its average standard. Its effective values must represent the mean, not the extremes. Therefore, when that same local press, whose personnel are also correspondents for the world's newspapers abroad, tells the world that "foreigners" in China Concessions are innocent victims of anti-foreignism, communism, vicious Chinese politicians and what not, people who know and think are likely to consider the news a challenge to common sense.

This analysis is applicable to the extremist Chinese case except for one difference. They have been wrong, or morally responsible for the guilt of the Manchus, in resisting the influx of Western ideas; they have been wrong in attributing imperialism to all nations alike; they have been foolish in blaming all foreigners for

their troubles, but they are right to strive for sovereign independence. They have a right to regard their native soil violated by the existence, whether for good or evil, of foreign cities in China, and on their best harbours and rivers. Such rights are not susceptible to logical or legalistic disquisition. They have an intense, introspective pride in their institutions, however fragile, which is something more than mere patriotism. They have never been convinced that the Concession-extraterritorial-open door medium, set up by force for the interchange of goods and culture, was other than temporary, suited only to the time, impracticable because it lacked a modification principle, and, in the main, as harmful to Western interests as to themselves.

The Concessionnaires' answer to this is typically abrupt and realistic. They say they built the Concessions on former waste land, and that owing to China's iniquitous bureaucracy, oppressive taxation, military interference with law, and general corruption, the Chinese could not have done likewise. The charges are true in substance. The weight of evidence bears strongly in favour of the foreign view—as far as material progress is concerned. Nevertheless, the wealth and prestige of the Concessions could not have developed independently of Chinese co-operation as residents, merchants, taxpayers, and the Chinese Governments' respect for the neutrality and better aspects of Concession contacts. Chinese have paid the largest share of local taxation, have consumed the most public utilities, and have been the foreign land-

lords' and retail merchants' largest customers. If the Chinese were to desert the Concessions they would cease to exist, just as they would not have begun if there had been no world trade expansion in the nineteenth century.

Therefore, it would be fairer to say that they are a co-operative Sino-foreign enterprise, products of the nineteenth century's industrial and commercial expansion. The foreign traders, who arrogated to themselves sole control, were traffic policemen on several great cross-roads of international trade, and the best paid policemen in the world. They are in the majority of nationalities free of income tax, Chinese or foreign. Their local rates rarely exceed three shillings in the pound, for the simple reason that rentals and assessment are extortionately high. They took a middleman's commission off a trade—the entire foreign trade of China—that reached two hundred million pounds annually, and obtained a steady eighteen per cent dividend from real estate investments totalling another fifty million pounds. They have produced more fortunes per head of population than any other similar sized foreign communities in the world—chiefly from real estate—and one of their richest landlords died worth ten million pounds.

CHAPTER III

THE CHRISTIAN MISSIONS

THE next principal impact was the Western Church missionary system. This subject is far more complex than the Concessions. It involves the interaction of Chinese and Western religious, philosophical, and superstitious practices. As already noted, certain Roman Catholic orders began to send men to China in the fourteenth century. In due course, many of them—John of Montecorvino, Matteo Ricci, Schall, Verbiest—became useful members of Peking's religious-philosophical community. They brought a more exact astronomical and meteorological system, which thrives to the present day. Their proselytising had small success, however, owing to proscription against open campaigning, suspicion of motives, jealousy of other sects, and the question of loyalties. The Manchus, from their conquest in 1644, objected to teachings which turned people from traditional family and state obedience to secular and religious fealty to Rome—to them but a name in some part of an insignificant barbarian world beyond the frontiers of the Middle Kingdom.

The Manchus, including Chien Lung and Kang Hsi—art patrons and centre-pieces of a so-called “zenith”

—alternately persecuted and tolerated at small intervals for two hundred years. Roman missionaries were constantly banished, imprisoned, murdered, their churches destroyed or confiscated for secular uses. Men like Ricci, Schall and Verbiest fared better with their work inside the Peking walls, where they were useful, and under careful scrutiny, but in remoter districts Manchu bureaucrats, more royal than the king, zealously stamped out Christianity upon the slightest pretext.

The early missionaries may have failed in their main objects, but they succeeded in others. Many of them wrote intelligent descriptions of China to their friends in Europe. Their records and translations of travel and literature were widely read. The writings of men like Mendoza, Halde, Gaubil, de Mailla—appearing also in English translations—created on the Continent a lively interest in Chinese philosophy, arts, and general culture. In fact, China and its sages were fashionable in Europe in the seventeenth and early eighteenth centuries. It was one of these men who created, unfortunately, the Latin forms of Confucius and Mencius. At one time, it was said that China was better known in France, especially to Voltaire and his contemporaries, than many places in Europe itself. Following the French revolution, however, the cult died out.

By the time the first Protestant missionary, Robert Morrison, arrived in China—1805—all missionaries were under a general proscription. They were confined, with their merchant contemporaries, to the

ghetto factories at Canton, and at Macao further south. Merchants, for reasons of their own, were almost as intolerant of them as the Manchus, and remained intolerant. The British East India Company, which until 1832 held the China as well as the India trade under a monopoly, refused Morrison passage to China on their ships, forcing him to go by way of the United States. Once there, however, they were quick to seek his services as interpreter. Likewise, a great many of the early nineteenth-century missionaries—Bridgman, Wells Williams, Gutzlaff, Martin—were used by both merchants and Western government embassies as secretaries and interpreters. This association was helpful to the lay authorities but of doubtful value to the Church. As mouthpieces of the energetic penetration of China by Western Powers, backed too often by armed force, the missionaries created a false impression on the natives. Business often absorbed missionaries altogether. Wells Williams joined the American diplomatic service, and many others acted as consuls. In one notable instance, a business man went into mission work when D. Matheson, of the firm of Jardine Matheson, resigned because his firm dealt in opium, and became active in that drug's suppression.

From 1800 to the war of 1839-42 Christian missions were still forbidden entry. Roman missionaries who managed to survive molestation in the interior lived constantly in danger of their lives. Several were killed or banished, while the Protestants were preparing their plans. The Protestant efforts in the first

third of the century were largely confined to printed propaganda—Bible translations and tracts which were smuggled into China and distributed secretly. Their first headquarters were in the East Indies—Malacca, Singapore—where they had printing presses, mission schools, and chapels. They concentrated on overseas Chinese, hoping they would eventually return to China and thus spread the gospels.

This hide-and-seek propagandist work partly ended with the war of 1839-42, through which five seaports were opened to trade and missions—Canton, Amoy, Foochow, Ningpo and Shanghai. Hongkong, then a desolate island, became at the same time a British possession. Manchu obstructionism, however, led to the second war, of 1858-60, which established the principle of extraterritoriality on a firmer footing, opened a dozen more sea and river ports, and obliged the Manchus to tolerate missions throughout the whole of China. In both wars, negotiations, and treaties covering them, the missionary interpreters were not only mouthpieces but also active negotiators and parties to the treaties. They framed the various articles dealing with mission enterprise, rights and privileges. In other words, they aligned themselves and the Church with militant economic penetration, and thereafter operated within the framework of war-imposed freedoms and defences established for quite another purpose—the forcing of the Manchus to open China to world trade and intercourse.

It may be open to debate, remarked a missionary writer, whether representatives of Jesus ought to have

*accepted privileges wrung from a nation by force of arms. It is probably even more a question whether they ought to have given their countenance to the negotiations which obtained these privileges for them. No one, however, seems seriously to have challenged the right of the British to compel China to open her doors or the propriety of missionaries accepting the opportunities thus obtained. Missionaries and their advocates in Europe and America appear to have been troubled little, if any, by these doubts.*¹

Missionary effort, nevertheless, gained impetus by the forced opening of China. The Confucian Renaissance, called Neo-Confucianism, of the seventeenth and eighteenth centuries, had not succeeded in reaching the stagnant masses. Missionaries, especially Protestants fresh with the faiths of Wesley, Moody, Booth—the urge to carry the message in the manner of Paul to heathen peoples—found ready soil for propagating new faiths. In fact, the rags and filth of the waterfront districts and poverty-stricken hinterland looked like virgin soil. What was really wanted was the price of soap and hot water, money for clothes and food, taxes spent on civic improvement instead of being drained away to the Manchu treasure chest, opportunity to trade free of Manchu prohibitions and taxes.

But they mistook bad government for bad religion and presumed heathenism. They were not the only ones to make the same mistake. One of the underlying factors in the merchants' claim for trial by their own,

¹ K. S. Latourette, "A History of Christian Missions in China," 1929, p. 231.

Western, laws was religious prejudice. This aspect has never been properly analysed by later historians, although official expression was given to it by the American plenipotentiary, who demanded extra-territoriality "in the eyes of God and man."

There were, undoubtedly, many social practices in China which deserved the stigma of heathenism, but they differed little in essential cruelty and injustice from practices common in contemporary Europe and America. The Church was pursuing reform East and West, and while the American envoy was denouncing heathen China, the slave trade in his own country was at its highest, and his own nationals had begun to "shanghai" Chinese coolies to sell in Mexico and Galveston, right under his nose. At the time merchants, officials and missionaries were expressing horror at Chinese decapitation, strangulation, girl baby sacrifice, child servant slavery and filthy prisons, there were still two hundred and thirty capital offences in Great Britain, starving people who stole bread for their children were deported to Australian convict settlements in indescribably filthy prison ships, the Tolpuddle martyrs had been treated the same way, and the Howard penal reform was making little headway. They flinched at Canton, but forgot about Newgate and the Dismal Swamp.

They had stepped into the fringe, the ragged edges of Chinese civilization, the dirt and squalor of a system that had reached its lowest depths through Manchu neglect and avarice. It clouded their minds to the fundamental, if temporarily sterile, culture

beneath. They saw the Chinese as Hogarth saw London, or as Hugo saw underworld Paris, and recoiled. If they could have had, as they turned away in pity and disgust from the narrow, foul alleys of Canton, a pre-vision of that same city a hundred years later, with its broad streets, modern buildings and public utilities, brilliantly lighted roads and buildings, they might have had a far different effect upon the intervening history of China. The world would have been spared sheaves of books dedicated to self-justification by fault-finding, pin-pricking and the practice of assembling all mankind's errors and labelling them Chinese.

But they had no such vision. They saw only the dark yellow mass of heathen, and set to work, with spiritual and bodily healing, to bring them redemption for sins and salvation for souls. They preached in the fashion of current theology, Heaven for believers, hell-fire for the unrepentant, baptism and vicarious atonement. They erected hospitals, clinics and schools, and to their great credit, sacrificed their own lives to the faith in which they believed.

The better elements of culture in the West might be said to have owed this sociological Christianity to the Chinese as a compensation for forcing open their markets to world intercourse and exploitation. Under the shield of the war-imposed treaties mission enterprise expanded. Western industrialists, with swelled bank accounts, and an eye to their own redemption, contributed increasingly large sums to mission funds. By 1800 the number of Christian Chinese converts was

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about 200,000. In 1850 there were more than 300,000. By 1900 there were 800,000, including 85,000 Protestants. At their highest point, just before the anti-Christian movement following the Nationalist revolution of 1926-28, the totals were 2 $\frac{1}{4}$ million Roman Catholics, 800,000 Protestants; roughly, allowing for optimism, 3 million all told.

The missionaries themselves had increased from a few score in 1800 to 2,700 Roman Catholics, including 1,180 sisters and lay brothers, and 8,160 Protestants, including wives and unmarried women. Despite momentary set-backs — Boxer uprising, various massacres, and wars—the missionaries had spread thousands of chapels and churches, hundreds of hospitals and schools, and a score or so of colleges and universities all over the country. Many of the Chinese graduates rose to high positions in the State, social and economic systems. Thousands of students were prepared for higher education in Europe and America. And, in the course of this gigantic Missionary Journey, millions of pounds, dollars, francs, marks were collected in the West and expended in China. Paul in his wildest imagination could hardly have conceived the size, extent and enormous cost of this great missionary drive.

With the same start and faced by greater opposition and persecution, met with courage and sacrifice, the missionaries forged ahead, built, and entrenched with far more determination, plan, and success than the Concession merchants. The traders were casual money-makers intent upon getting out with a pile;

the missionaries were purposeful, bent upon digging in for the rest of their lives. School, hospital and residential compounds in places like Peking, Nanking, Hankow, Chengtu, Kiukiang, Shanghai, and at summer resorts like Kuling, Peitaiho, Mokanshan, Chefoo, Tsingtao—at all but one of which the present writer has either lived or visited—were models of modern construction. Nothing was too good for them, especially the American Protestant sects. Their houses contained every amenity of up-to-date Western civilization, far more than most merchants of similar status. Married couples received extra allowance for each child, free passages for the family home and back every five years or so, or back and forth to school abroad. The main buildings were designed by the best architects, the modern style being a hybrid, with Western walls and interior and a Chinese tile roof.

Roman Catholic and Protestant missions differed in many respects. The former never departed from the principle of celibate priesthood, while the latter affected to show that a Christian life could be lived in “normal” circumstances. There were Chinese adherents to both, but it will be noted from the relative number of converts, that Roman Catholic sacerdotalism was more consonant with Chinese ideas of theocracy and general Oriental religious practice. The priests lived among their people with simplicity, in long black gowns and caps. The sisterhoods wore their customary black with white bonnets. Some wore native dark blue homespun. Their bedroom cubicles, dining-rooms, and lounges were usually

stone-floored, frigid in winter, and no more decorative than prisons. They managed cheap table wines, but meals were simple, served on bare boards in a common dining-room. Their schools and hospitals were more like barracks, although clean and airy, and while their chapels and cathedrals were massive and imposing on the outside, the interiors were severely plain.

Protestants, with certain exceptions, surrounded themselves with their own expensive Western complex social mechanisms. Most compounds had rows of detached five- to ten-room dwellings, one for each family or group of unmarried women. They were fitted with central heating, electricity generated in the compound or bought outside, modern bathrooms, toilets, pianos, organs, gramophones. Each compound had tennis, volley-ball and basket-ball courts for the private use of missionaries. Allocation of houses was a sore problem, few families ever being fully satisfied with what they were given.

Certain liberal sects, such as the English Episcopalians, permitted wines, smoking and dancing. Others, such as the American Methodist Episcopal, forbade all three, but kept their blinds down. English and American Episcopalians generally wore the clerical collar, but most others maintained touch with Fifth Avenue and Savile Row. One earnest sect, the China Inland Mission, early took to Chinese garments, partly to get on closer terms with Chinese, partly to stop curious natives plucking at their foreign clothes to see what they were made of and why. In recent years, however, by far the greater number of Protestants were

Americans, and while some of them wore Chinese clothes on interior travel they generally scorned the practice as "stooping."

Another essential difference between the two main sects was their method of approach. The Roman Catholics very early sought to reconcile Catholicism with certain tenets of Buddhism and Confucianism in an effort to find common ground. The Protestants brushed aside native cults as heathen teachings and quite irreconcilable. The Catholics brought abstract and concrete sciences—biology, mathematics, astronomy, archæology, histology, palæontology—and established museums, laboratories and observatories. Their Siccawei station, near Shanghai, is still the only exact source of meteorological data for the whole China coast. The Tientsin museum of Theilhard du Jardin contains some of the finest archæological specimens in China, and has supplied the world's museums with numerous scientific data, drawn from many years of exploration.

The Protestants concentrated on medical work, appointed qualified practitioners, constructed modern research laboratories, equipped them with surgeries, maternity wards, clinics and medical student classrooms. The Catholics did not go into medicine much beyond nursing homes and out-patient visiting, done mainly by the Sisterhoods. Both sects engaged in primary education, but Catholics went further and established numerous orphanages. Zeal in this work in the early years led to untruthful rumours of kidnapping, riots and massacres.

The most remarkable difference, perhaps, was that almost all Catholics were French, Italian, Spanish, while nearly all Protestants were American, British, Scandinavian. This probably explains the difference in financial resources. Great Britain and the United States, pioneers and thrusting evangels of industrial expansion, had far more spare cash to give away, and far more need of a conscience salve, than the Latin peoples, who did not enter the full world economic stream until late in the nineteenth century.

Roman Catholics supplemented their meagre overseas receipts by dabbling in real estate business, buying land, building and letting houses to Chinese and Europeans. They had large holdings inside the Concessions. Protestants had no need to do this, although individuals among them made fortunes in their private capacity. The Catholics also started handicraft schools, selling the manufactures—lace, embroidery, linen, curios—to supplement their funds. Protestants rejected this “commercialism” on the grounds of upsetting native economies, but they instituted instead study and training in scientific farming, cotton and silk culture, animal husbandry—things lacking in Chinese agriculture. But missions spotted all over the map of China were, in spite of themselves, advance guards of Western industrialism. Their house interiors, every domestic appliance they used, were miniature exhibitions. Curious and eager natives saw what the missionaries had, and from the first friendly request to “catch one all same for my,” it was but a step to wholesale importation.

The colossal sum of money spent on the subsidized Church in China may never accurately be estimated, but considering that it reached about five million pounds a year at its height, the amount must be reckoned in the hundreds of millions. The effects of mission work will be gathered from later notes, but it might be useful to observe here that, as far as its purely religious appeal was concerned, the great drive was a failure. Even at its greatest moments, free of intolerance, protected by armed force, surrounded by misery, famine, pestilence, civil war, with its havens of refuge—oases in a desert of social calamity—and organised by the greatest mission army in history, shock-troops of ten thousand Pauls, it obtained less than one per cent of the people as avowed Christians.

If one subtracts the margin of those who accepted Christianity for less than spiritual reasons—refugees, rice-Christians, unemployed students, camp followers—the fraction was only half of one per cent. The term “failure” is, quite understandably, relative. The missionaries, particularly the Protestants, went through an evolution both within their own dogmas and their application of those dogmas to their tasks. Their early ideal of making China a Christian nation was gradually abandoned. Their conception of Chinese as heathen was also seriously revised. Evangelism, mass meetings, outdoor preaching and the general saving of souls gave way little by little to other methods, chiefly the impregnation of orphanage and primary school children, and getting at the adults indirectly through healing the sick and social reform. Protestants especi-

ally undertook famine relief, combating opium evils, and, by this individual activity, often openly pronounced various opinions on political and commercial affairs. Some groups went so far as to disassociate themselves from extraterritorial rights and privileges, thereby embarrassing their fellow missionaries and their governments. One of the sorest memories of early twentieth century missionaries, full of new zeal to sally forth, convert, baptize, and lead mass revivals, was the cold water thrown on their ambitions by practical and much subdued bishops, who had gone through the same evolution themselves. The old blind beggar had propounded a moral hard to circumvent.

As between the two main groups of Westerners, commercial and mission worker, the difference was more obvious. The merchants went to China to get all they could out of her, and give nothing but what appeared on a contract, or lithographed bond coupon. Missionaries went to give China all they had—their lives, knowledge and spiritual faith—and expected nothing in return but a livelihood—some simple, others complex. Through the fault of their earliest predecessors, they were tied behind the same treaties with the merchants, and unfortunately allied to the enforced economic exploitation, based upon cold, practical and precise commercial doctrines. The warmth which their spiritual message might have inspired was largely dissipated when the newly educated students, suddenly awake to what the Industrial Revolution meant, began to analyse the principles and basis of mission work.

Catholics had first tried to interest the intellectuals and, failing, worked almost solely with the poorer classes. The Protestants did the opposite. They began with the lower orders, and worked up to the higher—students, politicians, statesmen. And yet it was to develop that these very moderns were the first to swing the intellectuals against Christian missions, due to the returned students' own un-Chinese upbringing and their general disillusionment with the West where they had recently lived and studied. Missionaries, unfortunately, had been so long impressing Chinese with their own West's adoption of Christianity, that they neglected to qualify their claims. They forgot that such astute gray matter as possessed by Chinese would see through the veneer of fine clothes, shop fronts and mechanical toys of the West to the underlying principles beneath. A Great War which had killed and wounded twenty millions, blown children to bits in air raids while Christian padres prayed for the raiding armies' success on both sides, was, to the observant Chinese convert, hardly a fit exposition of the fifth chapter of Matthew, so large a part of missionary preaching.

Missionaries were to be told, by inference if not in so many words, that they were wasting time and money in China while the Western world of conflict—war, racketeering, lynching, revolt, slums—required their ministrations just as urgently as China. To Chinese, of all people, the care of one's own family was a first principle.

The nature of Western impacts, consequently, was

a complexity of commerce, culture and religion introduced by intensified or hot-house transplanting. The Concessions were hot-houses of commerce; the missions of Christianity. Both plants had an artificial summer without the rigours of winter and spring. Both plants had to undergo a subsequent normal re-acclimation direct to Chinese soil, managed by Chinese husbandmen properly trained in their cultivation, and entirely free of the debilitating atmosphere of elaborate conservatories.

What other definition could be applied to a magnificent Church, backed by millions, able to offer the scientific medical and social genius of the world to comparative beggars for the fee of a few coppers, and in some cases paying wages to students to come for free tuition? There could be no real test of spiritual appeal when Chinese peasantry were confronted with a choice between several lowly sects—poverty-stricken Buddhists, Confucians, Mohammedans—and the glittering wealth of the huge missionary system. The temptation to become Christians, and so indulge the satisfaction of urgent wants, and obtain protection by money, guns, and foreign influence, was too great. The fact that so very few missionary boards ever saw themselves in this disproportionate and inconsistent light was only one of the peculiar aspects of this astonishing failure to Christianize one quarter of the world.

CHAPTER IV

MODERN JAPAN

IF it will be conceded that China's regeneration was attempted by forcing, Japan's must be regarded as even more so. The industrial revolution was forced on the Japanese people from above downwards; not by aliens from without, but by their own ruling castes. It is true that certain aliens, in the middle of the nineteenth century, shot the gates of the Closed Empire wide open. It is also true that Japan was obliged to tolerate the hot-house extraterritoriality plan for a few years. But Japan shed these inhibitions quickly, largely because Western imperialists saw she had no raw materials worth fighting about, and that China offered an easier exploitation. Commodore Perry smashed the door open in 1854, and by 1868 Japan had a new constitution, with the Emperor restored to full sovereignty. The 1300 years reign of military Shoguns came to an end.

Japan's subsequent history is a record of wholesale adoption of Western political, economic, industrial, commercial, social, military and naval materials and ideas. There was scarcely any effort to adapt them to Japanese forms. They were simply copied, imitated, reproduced, shape for shape, colour for colour, size for

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size. The mills, docks, ships and smoke stacks of Osaka, Kawasaki, Kobe might have been lifted bodily from England and rubbed into place by Aladdin's genii. Their imitation knew no limits; it became a ruling passion, naïve in its simple directness. They began to copy the labels, packets, cartons, printing; in fact, the exact form in which Western manufactures were marketed, even to the makers' names and country of origin.

They opened machinery in transit from the West to China, took it apart and measured every rod, bolt and screw. Importers in China used to wonder at the chalk marks and scratches on dynamos, pumps, engines, machinery of all sorts. World-famous British soap makers have a museum collection of hundreds of close imitations of their own packets. This habit soon brought protests about copyright infringement, and Tokyo's diplomats obligingly signed international copyright conventions. The Japanese mill-owners, however, still held to the now sacred principles of imitation. They met the protesters half-way by re-christening some of their mill villages with the names of Western manufacturing cities. This ensured that the mark of origin—"Made in Birmingham," for instance—was truthful and, moreover, maintained the mystic luck of Westernization.

After all, they remarked, imitation is flattery, and there was more than one Birmingham in the world. A publisher who had pirated an English work on economics retorted, "Why should we buy your books, you don't buy any of ours." The law of copyright

might be sacred to the capitalist doctrines within one state, but it was difficult for Orientalised islanders to understand that the covenants should run universally, wherever owners chose to sell the articles covered. It was still harder for philosophical realists to digest the doctrine that social progress, culture, religion were the common heritage of mankind, while bits of printed cardboard wrappers were purely private property.

This too faithful flattery is not lightly to be dismissed as intentional immorality. It is rather a form of amorality. Japanese have proved by two wholesale absorptions of alien cultures, Chinese and Western, that they possess the germ of mali-mali, peculiar to all Pacific islanders. Superimposed upon that, they have what other islanders lack, an intense patriotism verging upon hysteria. Divested of a number of justifications, historical hypotheses, and racial theories—added as afterthoughts—Banzai-ism is a mania, a sublimated mass inferiority complex which finds its only fixation in nationalism of the most violent character.

The new industrialism brought them, just as it brought the West, an endless cycle of wants satisfied and new wants created, reduced manual labour and increased leisure, new tastes and new frustrations. But because the system was thrust upon them downwards, the channels of self-expression, opened automatically to individuals in the Western evolutionary process, have been denied the mass of Japanese. There was no reshuffling of class relationships in Japan, no new avenues of social liberation for the mass. They merely stepped from the old ladder to the new one, standing

on the same rungs. The fisherman became a deckhand, the peasant a millhand, the shogun, daimio, samurai became money barons, admirals, diplomats.

Higher education put a selected few into the necessary network of industrial, commercial, civil and military services, maintaining, nevertheless, the original social stratification in all except rare instances. The enormous naval and military expansion provided the largest suitable outlet for mass expression. In these fields they discovered individualism; they were elevated to a personal identity, either as officers or rank and file. War was a national act, a defence or glorification. It gave even a private the chance to become a national hero, alive or dead. Nothing in the old order, and very little in the new, offered so suitable an opportunity.

Japan's victorious progress from victory to victory by land and sea; her rapid transition in under half a century from an island recluse to a world power with the help and flattery of Europe intensified the national egotism. There have been no defeats, no economic catastrophes of any serious size to sober them—apart from earthquakes or natural phenomena. There was no class struggle, no labour-capitalist strife to shock them out of their unreal dreamland of national perfection.

As individuals they were nothing; as a nation they were invincible. Only by identifying themselves with the State—that tremendously successful entity—could they fully satisfy their ego and obliterate the sense of personal futility so largely indoctrinated by Oriental religion and philosophies. Patriotism became an

obsession. In its concentrated and passionate expression of the public will there was no place for the individual. Life itself was of no consequence if not in perfect harmony; hence death-in-public, called "hara-kiri," a relic of perverted moralities of the past, became the last and only remaining gesture of an individual subject's frustrated ego. From patriots they became patriopaths.

The ruling class—three or four clans of nobles, and half a dozen or so aristocratic family tribes—managed to direct immense focii of psychological forces for the common, or state, benefit. Victory was an absolute essential to continuance; defeat would have been national suicide and bankruptcy. Victories were not vital either to physical security or national defence; they had only to be academic, a mere display of power or glorification of arms and industry, such as the world was witnessing between 1930 and 1934. There was only one direction, forward and upward; to look back would have meant the fate of Lot's wife, paralysis and death. This inference is not new, for *The Times* noted it many years before Japan became a menace. That journal published a paragraph which read: "'Japan,' says M. Balet; 'can always borrow money so long as she can provide two things—guarantees and victories. She has guarantees enough and victories galore.'"

The many millions of pounds annual interest which Japan paid to British investors alone was further corroboration. The mere suggestion of hesitation or defeat spelled danger. When it loomed in the form of a League of Nations' vote of censure, Japan resigned the

League immediately. She cast aside further hindrances—Nine-Power, Kellogg, and other covenants—with sublime contempt. When in April 1934 Tokyo made the Hands-off-China statement, so gracefully denied by Hirota, Japan was not “flying a kite.” It was a pre-meditated sly lifting of the shroud preliminary to the later unveiling of a massive edifice far more solidly attached to the earth than a mere kite. Justification for Japan’s gesture at Geneva had to be found, and the Japanese delegate, Matsuoka, made a verbal thrust which constituted the only admission and only apology that Japan’s military expansionists ever made to Western nations—the parable of the woman taken in adultery.

In the circumstances, it was easy to understand why the navy-military group had so much influence. It is obvious why assassination, a weapon of the Left Wing in the West, became a Right Wing weapon in Japan. The two engineers who blew a city gate and themselves to pieces at Tientsin in 1900, and numerous suicidal tendencies in active service units, are all part of their one-way-traffic nationalism.

When confronted by this psychology, questions of social and commercial morality cannot be raised. As well indict a child for outgrowing its clothes, or a negro for being black. The submergence of personal social codes in the corporate amoral state is not a new condition. It is startling only to minds unready to face stark realism in a present world of hypothetical, and often stupid, moralisings. My country right or wrong, is an axiom by which most existing states were founded and

maintained. Stripped of hypocritical concessions to a synthetic conscience, cleared of the fog of insincerity, cant and ignorance—good-intentioned or otherwise—it is still the axiom which guides their actions, as distinct from their professions.

The third definition, therefore, is that modern Japan is a country actuated by social forces created and motivated by a borrowed industrial revolution artificially established. Its leaders have had no choice but to steer those forces in the obvious direction—expansion. The natural applause, self-satisfaction and pride swelled into national glorification. In their methods of application, Japan's leaders were ruthlessly "realistic"—insofar as they applied them to an unreal situation—and, judged by contemporary standards of international morality as exemplified under their noses in China, the Japanese cannot be convicted, *in foro conscientiae*, at least, of violating established codes of conduct.

Japan's ultimate fall was almost as certain as her rise, and probably would be equally meteoric. But that fall was likely to be one of national, not individual character. The unsound economic edifice of national egotism parading in borrowed foreign garments, hired like stage clothes from a theatrical costumer, was bound to crash. Its place would be taken, after the dust and smoke of industrial and financial ruin—probably social revolution as well—had cleared away, by a new Japan—a real Nippon which should go on to recreate all the virtues of former eras and none of their vices, and in that re-creation begin once more to

contribute and lend to, instead of borrowing and copying from, a Western civilization sadly in need of new ideas rather than flattering imitation.

Nippon's new leaders would have to learn, what the old ones were not skilful enough to see, that what the stupid bunglers of the early twentieth century Western world thought was "realism"—gunpowder, gold and gold lace, armed power and racial dominance conceits—was only the fancy frills and frothiness of civilization—playthings and thrills for man-boys who never grew up to adulthood—and that really real values were infinitely more worth-while, even though beyond their nursery comprehensions.

CHAPTER V

COMMUNIST INFLUENCE

THE fourth current affecting Far Eastern affairs was the doctrine of Communism as interpreted by Soviet Russia. In Japan it was classed among other things detrimental to the state's single-tracked purpose as a "dangerous thought." In China it was regarded as dangerous to existing government—by the government, but worthy of examination by a large part of the people. It is most important to observe that the group of Chinese sponsoring it was called in their language: "Property Sharing Society." The name bears careful analysis when considering Communism in China.

Pure Marxian Communism had very few adherents among the more intelligent. The Property Sharing Society, or party, had fewer than ten thousand members in 1930. Modified forms, however, were practised for some years by peasantry of the inland provinces—Kiangsi, Hunan, and Anwhei—and were largely an expression of agrarian revolt. Chinese of the higher intellectual classes, including the more rational publicists, did not altogether reject it, but seriously considered to what degree its best principles could be adapted to Chinese uses. As with Christianity, the success of a new social experiment depended largely

upon its reception by Chinese intelligentsia, or the Literati.

How long the Literati were due to maintain their leadership was, of course, problematical. The Chinese social ranking for centuries was not as in the West—monarch, nobility, landed aristocracy, and so forth. Their gradation was scholar, farmer, artizan and trader, with soldiers and barbers at the bottom. The new industrialism had begun to upset this ranking, and was thrusting up the usual industrial millionaires, with their unfailing belief in systems by which they profited, and their opposite numbers, the Trade Unionists, backed by new group formations. The new industry was, as usual, also creating the class which does not profit by existing systems—labourers, peasant-workers, small-holder farmers, factory hands and miners.

By the fourth decade of this century, China was fast going Industrial, in the sense that the people were turning to mass production to satisfy their wants, and at the same time endeavouring to satisfy them locally. But for all that, the vast mass was still economically in the agricultural-handicraft stage. It would have been comparatively simple, as in Russia's case, to adapt the people to a communist-planned society, incorporating the best features of industrialism and racial traditions.

Thinking Chinese were in a quandary. They were afraid of both Capitalism and Communism. The spectres of strikes, lockouts, labour riots and bogeys had already raised their heads. They saw the disintegration of rural and handicraft economics, the resulting break-up of the family unit, bases upon which their

institutions had rested for thousands of years. As a modern writer put it, they saw the emergence of a new social order, or disorder, for instead of individuals with definite rights and duties following traditional behaviour patterns, they, as free agents let loose from all established connections, would have to make their own adjustments, to adopt or even create new behaviour patterns and moral standards to meet the rapidly changing conditions.¹

They were also afraid of Communism—not, perhaps, the real thing, but its local interpretation by untutored minds. Their admiration was tinged with their own special background of Western aggression. The Nationalists were grateful for the Soviet's professed friendship between 1920 and 1928 when Japan and other Powers were antagonistic or scornful, but certain rabid elements had turned that gratitude into hostility. What they said must be judged with this background in mind. The writer already quoted above asked pointedly what indeed could be more impressive to a people like the Chinese than the successes Soviet Russia has made in calling her foreign aggressors to a halt, in overthrowing the capitalist regime within the country and threatening to overthrow it without? What indeed, he continued, could be more attractive to those who have suffered social and economic injustice in person, as well as those who aspire for some social system under which all wrongs of the present-day capitalism will be done away with, than the admirable attempts, shorn of their accompanying

¹ L. K. Tao, "Symposium of Chinese Culture," p. 353.

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horrors, made in recent years by the great political figures in Russia? Note his qualification—"shorn of their accompanying horrors"—and Chinese hesitation will be understood.

The sort of Communism propagated by Karakhan, Borodin, and others during the third decade was mainly extreme Leftist, early Lenin and Trotsky, variety. Students and the sub-intelligentsia swallowed it whole. Its main elements—equality of opportunity, levelled society, elimination of religious dogma, simplified marriage and divorce, labour as unit of value and so forth—were accepted as excellent stuff for theoretical debate. But Communism's greatest appeal, as already noted, was its militant revolutionary character, its advocacy of the overthrow of Imperialism and aggression, its insistence on a proletariat struggle against capitalism. The Student Movement agitation begun in 1919 against all foreign aggression, Japanese in particular, drew most of its ammunition from Communist literature. To them, Communism was a handy weapon, of whose deeper mechanism, like the works of a time-bomb, they had only a faint conception, but of whose power to frighten people in high places they knew only too well.

From 1917 onwards the entire capitalist world had admitted that it was shaken by the Communist spectre. The European and American press unwisely fretted and condemned, raised bogeys and cried excitedly at the slightest noise. This world fright reached China. Local English-language papers delighted in hailing Communism as a formidable enemy,

with the natural result that Chinese nationalists, seeing what scared their aggressors, picked up the club and wielded it. Even the more moderate classes, with no desire whatever to instal any but their own traditional form of government, were tempted to cry bogey-bogey if it might shift the load of foreign aggression from their backs.

Simultaneously, Concession foreigners began to suffer from both the anticipation and reality of Communism. If a strike started in their mills, if a fire burned down a factory, a riot broke out, it was set down to Communists. True enough, in almost every case, Communist leaflets were discovered or some agitator was found to have been preaching direct action and parroting Communist slogans. What industrialism there was, existed largely in and about the Concessions, and what Communist literature was circulated was naturally to be found in those districts. It was safe to conclude that any such propaganda would be found among the classes it was designed to reach, just as it would be equally safe to assume that poverty, rags, vermin and discontent would be found in common association. Concession police, Warlord and Nationalist governments often raided Communist headquarters in and around the Concessions and inland cities. They usually found large quantities of literature and arrested Chinese and foreign agents, notably H. Noulens in 1931, whose arrest almost smashed the propaganda network.

Communism might have taken a mighty leap from the springboard of student-anti-Imperialism in 1919-

1924 if it had not been for two other forces developing at the same time—the Three Peoples' Principles of Sun Yat-sen, and the Literary Renaissance. In Sun's doctrines the Student Movement had, not an imported device, but a home-made set of principles devised by their own great revolutionary leader. Its main planks—racial equality, democracy, and livelihood of the people—were simpler and yet just as embracing as the Russian method.

The Literary Renaissance drew the more advanced, philosophical minds away from political strife by its far deeper significance to the educational and social bases of progress. For nearly two thousand years there had developed an immense gap between the written, classical language and the spoken, vernacular language. The Renaissance, led by Hu Shih, Chen Tu-shiu and others, displaced the classical from its lofty pedestal and in its place established the common tongue as spoken by nine-tenths of the people. This action can be likened to the European revolt against Latin, except that the Chinese was longer overdue and spread with amazing speed.

Communism, therefore, without the intellectuals' blessing, and with a formidable native doctrine as competitor, never had a chance of rising to national dimensions. It became just another 'ism, with a small set of believers. In its own special niche, it was destined to survive one or two shocks. Lenin's N.E.P. upset the pure-in-heart, but came closer to Chinese instincts. The Property Sharing Party's Chinese name was "Kung Tsang Hui," while that for bandits was

“Tu-fei,” which means Local Outlaws. Consequently, when some intellectuals coined the composite term “Kung-fei,” which means Property Outlaws, or Robbers, and the entire press took it up, Communism had another jolt. Such slogans and witticisms were devastating criticism in the Chinese mind.

What Moscow intended, and what was actually achieved, were two different things. Before examining them it should be noted that the split between Stalin and Trotsky upon the merits of domestic consolidation and perpetual revolution had no effect upon Chinese for two reasons. One, they had insufficient grasp of either to see much difference; two, they had already experienced confusion from 1926 onwards, some years before the leaders' break. The two interested bureaux in Moscow were at loggerheads. The Political, with Stalin's support and Karakhan as chief expounder in China, was opposed by the Foreign Affairs department, including Litvinov and Chicherin. The Political bureau, during Chicherin's illness, had instructed Karakhan to “stir up the Revolution in China, making it more radical, so that finally everything which is English will be driven out of the country.” Kopp, Soviet Ambassador in Tokyo, considered the advice impracticable, and criticised Karakhan's policy. There developed a cross-fire of criticism. Litvinov said it would lead to war with England. Kopp pointed out “that an upheaval of the Chinese masses would be dangerous not only to the English but also to Japanese and Americans as well. There are purely Japanese interests, both in central China and on the other side

of the Great Wall (Manchuria) which Tokyo will defend to the bitter end.”¹

Further revelations, given here for what they are worth, read: “Litvinov told Kopp that he should, through Japan’s intervention, upset as much as possible the policy of Karakhan—‘this new Rasputin attached to Stalin’s person’—and urged Kopp to set the Japanese press against Karakhan, in the hope that if the threats from this quarter became sufficiently definite Stalin would take fright and consent to recall Karakhan. But in the end reason triumphed; by some strange coincidence Litvinov favoured a policy identical with my own—the policy of non-intervention in Chinese affairs.”

Whatever truth there is in respect of personalities, it is no part of these notes to uncover. It is enough to observe that the general situation outlined was borne out by subsequent history, particularly the following revelations: “The ‘Sovietisation’ of the Chinese Republic took its course. Thanks to this our influence in China waned, and the Kuomintang became more and more hostile to Moscow. Nor were the Japanese placated. M. Debuchi spoke with a strange insistence of Borodin’s activities. ‘Japan,’ he told me, ‘does not want Bolshevism in China, and we will fight Bolshevism to the finish.’ Finally, Chang Tso-lin took advantage of the mistakes made by Karakhan by preparing for the seizure of the Chinese Eastern Railway. At one time Borodin had the Soviet officers of

¹ G. Bessedovsky, former Chargé d’Affaires in Tokyo and Paris, who renounced Communism and fled from the Soviet Embassy in Paris—*The Daily Telegraph*, 1st November, 1929.

Chiang Kai-shek's army given orders which aimed at the disorganization and defeat of the army. Chiang Kai-shek was informed of this plan, and his break with Borodin soon rendered the whole of Moscow's scheme futile. The policy of 'Sovietising' the Chinese revolution ended in dismal failure. All the influence which Russia had acquired in the course of long, long years had been wiped out."

Dismal failure fairly describes the picture up to the time, 1929, these memoirs were published. As with the missions, the appeal had been too materialistic. There was too much temptation for rice-communists to make hay while the Soviet sun shone, and too little encouragement and scope for the sincere Chinese desiring to rebuild his own and his country's life. After 1929, Moscow's attitude changed. Stalin and the Political Bureau appear to have been won over to Litvinov's non-interference policy, a policy further strengthened up to 1934 by the latter's successful series of non-aggression pacts and American recognition.

Foreign Concession authorities, guardians and owners of most Western investments in China, were more afraid of Communism than the Chinese. Their fear was genuine in some cases, but mainly anticipatory and inspired. Like the Chinese authorities, they failed to differentiate between the bark and the bite. Also like the Chinese, they created martyrdom for a few crazy extremists, instead of contempt and ridicule. Worst of all, in 1927, they failed to distinguish between silly Communist propaganda and the genuine Revolu-

tion. Shanghai surrounded itself with barbed wire, established a curfew, and called on the Powers for armed defence. They had been betting on Sun Chuan-fang, and all such Warlords regarded revolution as another name for Communism and anarchy. Borodin, of course, was still going strong in that year, verbally, at least. The Concessions set the pace of the rest of China by labelling all unrest Bolshevism. The Shanghai factory strikes of 1927 were due to the rise of living costs. Rice, the staple, went up from 18 to 25 dollars a picul, or 133 pounds, but the local English press saw "the hand of Moscow" in every abnormality, from robberies to the laundry bill. In this way they arrived at a state of high nervous tension, from which their only release was golf and race-meetings. The sudden arrival of twenty-five thousand officers and men of the Shanghai Defence Force was an enormous solace. The demand for barracks, food, hotel accommodation, entertainment, was unprecedented. Reluctant landlords, hotel managers, cabaret owners were obliged to charge their saviour-defenders double the previous price.

Nevertheless, actual or imagined, Communism in the industrial areas was largely a bogey. Admittedly, its protagonists intended it to be far more. The contents of leaflets, when translated and published in their full-dress battle cries, spoiled many a breakfast appetite. The shouting agitators who adopted Bolshevism no doubt imagined they were full-blown "comrades," even though they could not grow the necessary beard. But it was all too obvious to an unbiased

observer, with no irons in any fire, that Communism's self-appointed disciples possessed nothing but the haziest idea of what it was all about. What they did realize, however, was the comforting weight of Soviet dollars in their pockets. An identical expenditure could have worked up a future for Free Trade, or a violent campaign for Old Soldiers' Homes.

Property Sharing had no appeal to Chinese above the totally unpropertied classes. Day labourers, dispossessed peasants, and the underfed, undisciplined youths in a land suffering from a birthrate of 54 per mille, might see it as a remedy for their empty stomachs and pockets. But the mass of small-holder farmers; that is to say, those owning land and free of usurious interest on loans and mortgages, might pool their property, redistribute it, and still come out no better off. Even collectivism, without government aid and mechanization as in Russia, would not help. The agrarian problem in China is not so simple as it appears. It is difficult to see what sort of machine could help rice cultivation in the flooded paddyfields. Furthermore, there is a large rentier, or Gentry, class which leases land to farmers, or lends them money on crop and land mortgages. Their interest in some places is absurdly high. They often charge five or six per cent a month for a one-year loan, but raise it to twelve per cent or more as the end of the financial year draws near. In other words, the interest is sixty to eighty per cent per annum, and often 150 per cent. during the last three months. If the farmer has to default in a bad year, he mortgages the next year's,

or next two years' crops. If he still fails, his land is forfeited, and he becomes a worker or an idler, a pauper and possibly a bandit. Terms differ with locality and incidence of domestic troubles.

The so-called Chinese Soviet Republic, set up in 1931 in Southern Kiangsi and West Fukien provinces—lower central China—began as an agrarian revolt against this rentier class. Their first step was to confiscate the land, kill the landlords, destroy all title deeds, and set up a sort of co-operative farming. As a matter of course, the organizers, who were Chinese students from Russia, built up around their Farmer State the usual trappings of Soviet organization—interlocking soviets and cells—and with a nucleus of three army corps which had seceded from the Nationalists created a defensive fighting force of some sixty thousand officers and men.

“Theoretically,” says an observer from first hand, “the policy of this government is directed by the Chinese Communist Party from Shanghai; in practice, it would appear to be independent while remaining open to suggestions.”¹ Its chief principles are summed up by the same observer: “All marketing of produce is done through a central government agency. One central, and at least two local, banks have been established and notes and silver coins have been issued, the former bearing the head of Lenin and the latter the hammer and sickle. A progressive tax is levied in proportion to income. Marriage, religion, and the hereditary system have been abolished. Gambling and

¹ Peter Fleming, *The Times*, London, 13th and 14th November, 1933.

opium-smoking are strictly suppressed.” Their leaders are sincere and there is “probably less corruption in the Red districts than in any other area of equal size in China.”

The peasant members subscribe to tenets “broadly indicated by the two slogans, ‘The Land for the People’ and ‘Down with Imperialism.’” Their enemies are the Kuomintang—Chiang Kai-shek’s Nationalists—Japanese, and all foreigners except Soviet Russians. Other foreign observers confirm these comments and emphasize that “Organization is the keynote.” Administration was effective, although maintained by terrorism and slaughter, which reveals the obvious fact that the simple-minded peasants who merely wanted security were ignorant of, or indifferent to, Soviet administration. There was a daily newspaper, wireless, and a postal service, the stamps bearing a hammer and sickle design. “Each citizen is allowed fifty Chinese dollars in ready money and three hundred in capital, aiming at the elimination of the middleman. Prices are state-controlled, eliminating real profit.”¹

Liberal Chinese investigators said that “to all intents the threat of Communism in China is much worse now—at the end of 1933—than when its roots were first planted. New recruits have been added and its field of operation is wider than before.” Nevertheless, both Chinese and foreign agreed that, while wider and stronger, its limits were more clearly defined geographically, and that it was ringed about by a *cordon sanitaire* in a remote region of about one hundred

¹ *The China Critic*, Shanghai, November 1933.

thousand square miles, consisting largely of hilly, wooded country difficult of access.

The Chinese believed that Chiang Kai-shek's long military campaign against the Chinese Soviet Republic was both useless and expensive. It was asked, "where Communist activities have gone beyond the stage of mere destruction and plunder, and where political authority of a sort is well constituted, might it not be possible to permit it to exist without allowing it to expand to other regions, and to let the consequence of the experiment in Sovietism eventually tell its own story?"¹

In that question, the practical Chinese mind was at its best. They took the long view, based upon their faith in that part of humanity which is Chinese to survive social experiments. If the Kiangsi-Fukien republicans were divested of their Soviet superstructure, they would have remained a purely socialist co-operative movement, militant only in self-defence, and not Communist. The abolition of marriage, religion, and hereditary wealth may have looked all right on paper, but with only an existence covering one small part of a generation, there was no time to put such principles to a practical test. A whole generation, at least, had to pass before they could be considered established. All three cut sharply across the family unit system. They obliterated individualism. Putting aside all reasons for or against Communism—whether it solved or complicated the agrarian problem; whether as an oasis surrounded by opposing economic theory it was practic-

¹ *The China Critic*, Shanghai, November 1933.

able; or whether the motive was local agrarian revolt or inspired by Moscow—the fact remains that the very nature of Chinese, within or without the family unit, must inevitably lead them to adapt, absorb and compromise.

No imported book of rules could wipe out the traditions of four thousand years so simply. Other imported doctrines have raised their standards in China, scores of them. The Taiping Rebellion of the middle nineteenth century, a sort of Christian frenzy, obtained far more control and did far more damage. The Chinese Soviet Republic had at least hacked at the roots of discontent, and was trying to remedy an economic ill. The more it hacked the less it could remain an imported sophistry, and the faster would it become absorbed and acclimated out of recognition. Chinese psychology was the most timeless and inexact, and for that reason the most long-sighted and practical. No written constitution, panacea formula, or red-taped society had much chance of existing in their midst for more than one generation.

This observation is made with full recognition of the fact that human nature can and does change. The Chinese has been changing, perhaps, more than the Western. But the environment of a Chinese was element-made more than man-made. His universe was not the garden-scapes of Western Europe and the British Isles, where, because the miniature rivers were spannable, the little hills conquerable, puny beings derived a false superiority complex and ran amuck with the idea that man was indomitable. The Chinese

universe contained unspannable rivers, unconquerable hills, undefeatable skies. Thrust whither he will, dream as he may, the insuperable obstacle of an extravagant nature will compel the Chinese human being to accept the Theism of extra-human agencies, and oblige him to make the best of what is tangible, ordained, and practicable within his own limited comprehension. He and his friends can make mistakes, his rulers can be wrong, but his Gods are always uncontradictable.

The nature of Communism in China was little more than a temporary solution of economic wrongs, chiefly agrarian, partially industrial, and politically an instrument of defence against both local and foreign persecution, real or imagined. As the ills and the persecution fade, so will the purity of the doctrine. It may become a small part of future constitutional and social structures, like many other ideas long since absorbed, but that it will ever succeed as a basis of government and philosophy is most improbable.

CHAPTER VI

ROOTS OF CHINESE DISCONTENT

IN order to examine the causes by which a Pan-Asiatic movement was beaten out of a hammer and anvil conflict of economics, religion, and political disorder, it is necessary to trace some of the origins. Critics have assumed, all too frequently, that the Chinese have been a heavy, unwieldy mass of inert, expressionless beings, content to let anyone rule them, so long as they might live, breed, die in their own narrow way. The complementary assumption is that they absorbed their alien conquerors as fast as they came along, and consequently, the persons of those who ruled mattered still less, so long as taxes were not too heavy.

Generalizations of this sort constantly land critics in trouble, rendering criticism obsolete before it reaches the presses. It is not impossible that a peasantry, development arrested, living in back waters, or under the scourge of floods, droughts, famines, would adopt a political fatalism. There is evidence of it in Europe as well as in China during certain periods. From a very early date Chinese sages advised their reigning dynasties that the best way to govern a people was to let them alone. "He governs best who governs least"

appeared in China before the Christian era. The injunction was not always obeyed, but the tradition, nevertheless, has survived throughout the ages.

The absence of effective centralised government was responsible for the high character of local administration, possibly also for the auto-imposed family unit system. This goes further than most Chinese would admit, but it is not enough proof of why the family unit was based upon rigid duties merely to assert that Kung Fu-tze and others ordained it. There must have existed the environment, the force of circumstances, the absence of strict, centrally administered laws, that would throw the individual family back upon its own organization and resources. A loose million-family confederation may have been both feasible and suitable to a purely agricultural-handicraft society, but it required both the impulse and the obligation to last so long in China.

If the Chinese peasantry were disinterested in central government identity—and there is no proof that they were—it was not from lack of patriotism, in its best sense, but because they had too much faith in themselves, their civilization generally, to survive un-Chinese institutions. But it is untrue, in any case, to say that they never took a more vigorous attitude. Not only have they risen and overthrown several alien dynasties and invaders, but also they maintained a constant rebellion, openly and secretly, against them. In the period which most concerns these notes—the Post-Renaissance—there were from ten to twenty thousand secret societies whose major purpose was to

overthrow the Manchu dynasty. Without the necessary arms, finance, leadership to combat the Manchus' superior forces, they resorted to guerilla, and so-called banditry, tactics. The more rabidly anti-dynastic sects earned reputations for magic from their manner of swooping down on Manchu tax-collectors, routing the guards, capturing the money, and then vanishing. This magic was possible only because they were ordinary members of the peasant communities. They could be banditti one moment, and the next moment be found back on their fields hoeing and digging. They could plead ignorance and prove an alibi. Membership was not confined to the peasantry. Some of the most cultured and spiritual Chinese belonged to such bands. The Manchus often retaliated by wholesale punishments, either fining the nearest village headman or beheading numbers of suspects.

Chief among these societies in the last years of the Manchu dynasty were the Harmonious Fists, or "Boxers," the Big Knife, the Elder Brother, a masonic-like institution, the Tung Meng Hui and its offspring, the Kuomintang, or "People's Party." The abdication of the Manchus in 1911 was due principally to the work of these four rebellious societies, as much as to its own corruption. The average Western publicist still believes that the Boxers in 1900 were merely anti-foreign, whereas they were fiercely anti-Manchu until a few months before the uprising.

The Manchu Empress Dowager, Tsu-hi or Yehonala, skilfully made use of various foreign acts of aggression to turn their spear points away from her own breast.

The foreign seizures of Tsingtao, Kwangchowwan, Weihaiwei, Port Arthur, in the three preceding years made it easy to work up Boxer wrath against the new invaders. The Dowager fooled the Boxers, and they fooled her. When she asked them to demonstrate their claimed invulnerability to bullets, they staged an execution squad scene, the "executioners" firing, unknown to the Dowager, blank cartridges, and the "condemned" spitting out bullets previously concealed in their mouths. Convinced, she consented to support them with her Imperial troops. The subsequent defeat at the hands of Allied forces, and the harsh indemnities, further settled the Manchus' path to oblivion.

From 1900 the Manchus had entered upon a swan song of reform, but by 1911, the Elder Brothers and the Tung Meng Hui, led by Sun Yat-sen, had created a revolutionary spirit too strong to resist. In the previous century spears and swords had proved no match for Western rifles and cannon. One after another, the wars 1842, '58-60, '95, and 1900 had revolutionized military science. They created new arms for the Manchus, but also put just as effective weapons in the hands of revolutionaries, hitherto using hoes, pitchforks and knives. Furthermore, the industrial revolution was providing as much new money for rebels as for the government. Chinese at home and abroad provided Sun Yat-sen with millions for arms and ammunition. Guerillas became organized armies.

If, at this stage, Western Powers had used some fore-

sight there might have been a different, and happier, story to tell. Pan-Asianism might have been deferred until both East and West were better prepared. But the Powers let slip a chance to show the identity of East-West ideals—a moral so prominent in diplomatic circles—by helping to thwart the Revolution. It was the old story of the French, American, and other peoples' revolutions over again. The Powers butted in, throwing away money to save money, and eventually losing it because they backed the wrong horse.

The Revolution failed in 1911, after the Manchus fled, because—Western ideology being what it is despite democracy—the Powers felt it necessary to preserve their nationals' interest by propping up a "Strong Man" in the person of General Yuan Shih-kai. Yuan, the crafty viceroy, gave the required assurance to "respect foreign lives and property" and observe international treaties. Half a dozen Warlords, in the ten years' mess of corruption and civil war which followed Yuan's death four years later, were to give the same lip service. Yuan had dickered with the revolutionaries, first by advising the Manchus to abdicate, then by promising to set up Parliamentary Government provided he was made President. The revolutionaries, who had placed Sun Yat-sen temporarily in the President's chair at Nanking, accepted Yuan's bargain.

It is difficult to follow Chinese mentality in these compromises, but at that time, 1912, the ancient tradition that sovereignty came from the North—"Up at Peking"—and was associated with military power,

still confused most political thought. The Ministers of Western Powers retained their confusion longer than the Chinese, for nearly half-way through the fourth decade, some twenty-two years after the Revolution, and eight after the government was set up at Nanking, they were still living in the old Peking Legations. They seemed to expect that governments, like retired elderly gentlemen, preferred more temperate climates. The world press correspondents felt the same way for many years, hence their strong antipathy to a new government which tore them away from their beloved capital; for Peking, after all, is still a lovely place.

The Revolutionaries quickly saw that Western Powers were determined to uphold anyone except a revolutionary, but they hoped to check Yuan through the Parliament, when it was created. President Yuan was duly installed. He had been a powerful bureaucrat for the Manchus, and had fought Japanese intrigue in Korea for a quarter century. He became Viceroy of Chihli—the province around Peking—when Li Hung-Chang died. When head of the Manchus' Foreign Office in 1909, he was suddenly dismissed, and after two years' retirement, with his famous "sore foot," was recalled by the Manchus to help save the dynasty. He was made supreme commander of the army and navy. The Imperial troops of that time were several "Model Divisions" trained by British and German instructors. They were the Manchus' answer to repeated defeats by foreign arms, Japan in 1895, and the Allies in 1900.

Upon Yuan's accession to the Presidency, his power

over the army and navy increased. The Viceroyalties of eighteen provinces having vanished with the Manchus, Yuan put his Divisional Commanders in their places as Military Governors. These officers were well trained, and had formed a powerful clique even before the Manchus abdicated—the Peiyang Party. By handing out profitable tax-gathering governorships, Yuan gained their allegiance to him rather than to the theoretical Republic. Democracy might suit idealist intellectuals but was stuff and nonsense to regular army men.

Here, indeed, was the Power's Strong Man. They had already decided to let the effete Manchus fall by refusing further loans. Japan went further, secretly requesting Whitehall to intervene with her by armed forces to keep the dynasty in office. Whitehall turned her down. Nevertheless, the European Powers were not going to have any wild men, with revolutionary ideas, jeopardise "the friendly relations hitherto existing between them and the government of China," and so forth. Further, to show their admiration for Yuan, the Powers granted him the notorious Reorganization Loan of 1913. Twenty-five million pounds, at five per cent—issued through British, French, German, Russian and Japanese banks—was the second largest sum ever loaned to China, and for all the good it did, it might as well have been poured into the Yellow Sea. Japan insisted that none of it be used in Manchuria, and won her point.

The Strong Man idea immediately went to Yuan's head to prove to the world, except a few who knew him, that he was anything but strong. The Republican

FOREWORD

THE incidence of a movement deliberately designed to form an hegemony of Asiatic peoples, to the economic and political disadvantage of the West, is no longer a matter of opinion. Its roots lie deep in the Post-Renaissance history of East Asia, in both local and international relationships. What form it will take, how far it will develop, and what effect it will have upon the world generally are speculations which might profit the Western world to consider. As a lead, we suggest that the ultimate and most critical problems will arise, not so much from the Japanese system itself, but more out of inspirations derived from it by other racial and religious masses in the yellow-brown half of the world. It seems hardly necessary to add that if the hegemony succeeds Western Europe's boundary of effective influence in the East will recede to the Suez Canal.

In order to assist to some extent the Westerner's contemplation we have gathered a few notes upon the pathway by which Pan-Asianism has travelled in recent years. Most of the facts have been collected at first hand, and the majority of opinions are either our own, or have been derived from sources of information tested and found trustworthy and unbiased by our own personal experience, which covers the best part

Parliament was to have been elected at once, but Yuan had his Governors secretly obstruct the elections. The Parliament was to have the veto over finance, but having balked its formation, Yuan negotiated the loan himself. The Powers knew that fact quite well, but granted him the money in spite of it. They knew, of course, that whatever happened the lenders and subscribers would get it back.

It so happened that the maritime, coastal and foreign trade Customs of China was in foreign hands by virtue of treaties. Loans were guaranteed by this Customs, whose revenues were paid direct into foreign banks. All loan services were paid out of revenue before the balance was paid over to the Chinese Government. Safe in this respect, foreign nations had a merry innings, loaning large sums of money to various cliques and warlords, calling themselves "governments," knowing that the money was being squandered on graft, bribery and futile civil war.

There are two sides to this question, and it is easy to be wise after the event, but it was as much the duty of foreign ministers at Peking to study the immense social forces taking shape in a revolutionary State, as it was to watch over the interests of bondholders. In any case, the Diplomatic Corps at Peking were actually confronted by the collapse of a dynasty and the uproar of a revolution at its doorsteps, and deliberately blocked the Republican revolution. In this act, "Western money and Chinese arms entered into an unholy alliance."¹

¹ Putnam Weale (B. Lenox Simpson), Economic Adviser to the Chinese Government.

Yuan, unable to prevent a belated Parliament, which began to sit in 1913, used his new funds to bribe members to push through laws favourable to himself, and later to stage an impudent, fraudulent ballot creating a constitutional monarchy, with himself Emperor. In the meantime he secretly quashed the Revolution, and had its most powerful agent, Sung Chiao-jen, assassinated. The rest fled into hiding, emerged with a fitful Second Revolution in 1913, but were crushed in three weeks and disappeared again.

Yuan did not, however, actually ascend the Dragon Throne as Emperor; in fact, he had not the courage. His friends never fully convinced him that he had the full approval of either his own people or the Powers. He dallied with the idea for two years. His general staff, and the Peiyang Party, with one or two silent exceptions, encouraged him. They had been promised dukedoms and titles when the new Empire emerged. Knowing his fear of Japan, they forged a Japanese newspaper containing the lie that Tokyo fully approved.

It was at this stage, 1914-15, that Japan most seriously entered the field of China's domestic politics. Europe was at war; Japan saw her opportunity. The manner of her entry will be noted later. At this point it is necessary to examine the Revolution in order to reveal its origins as well as to show how purblind were those ministers and publicists responsible for the unsympathetic attitude of the West, despite their official professions.

CHAPTER VII

THE CHINESE REVOLUTION

THE Chinese Revolution existed for nearly thirty years before it was officially recognised by a Western Power, in 1926, and by that time it was too late to prevent the repressed emotions from bursting in several directions. There was no good excuse for the delay.¹ Western nations had created, by armed force, economic penetration, missions, education, the essentials of revolution, but remained oblivious of their handiwork. However, as the Napoleonic Wars had absorbed them before, so, perhaps, did the Great War distract their attention from the New China of a century later. Things have a way of happening in the Far East when the world is looking the other way. When the Revolution cropped up, from time to time, the Powers' ministers had either thwarted it, or dismissed it with contempt. The part played in this opposition and ridicule by Western writers, correspondents, and editors of the Concession English-language press, has never been properly understood. Following each spasm of revolt, they lost themselves in mazes of rhe-

¹ Official recognition, if Soviet sympathy is excluded, came first from Great Britain in the Memorandum of 18th December, 1926. There is good reason to believe that the suggestions underlying the basic terms were proposed some five years earlier by the previous British Minister, Sir John Jordan.

toric, dissertations upon Chinese psychology, unreadiness for democratic rule; in fact, anything which would comfort them and their readers, and stave off changes in the *status quo*—unfortunately a part of the Revolution's programme.

By "unfortunately" is meant the effect such intentions had upon the progress of the Revolution. Had the Nationalists been content to deal with the corrupt Manchus first, and get themselves consolidated at home and abroad before demanding an end to extra-territoriality and other mediums of foreign aggression, they would not have provoked such storms of protest, propaganda, and opposition from the money-lending nations. However, they tried to sweep the board clean and only partially succeeded. The local foreign press led the gales of protest. Editors who could not read, write, or speak Chinese, wrote confidently of China's civilization and psychological reaction to various political systems.

England has been called insular, but compared with the Concessionnaires she was thoroughly cosmopolitan. They were completely cut off from direct contact with the real China. Perhaps half a dozen out of several thousand business residents had a smattering of the language. They had no means of knowing what progress in thought or action went on around them, except second-hand gossip at the clubs. "Most foreigners," wrote one editor, "are effectively hindered (from co-operation with Chinese) by their lack of knowledge of the Chinese language and a consequent inability to understand the people and their customs.

To take one department of the Shanghai Municipal Council, there is only one man who has got beyond the A B C of the Chinese language.”¹

Social and labour disorder prior to 1917 was merely crime, perhaps anarchy, possibly jingoism. After 1917 it became Bolshevism, Communism, subversive influences. By every literary device they evaded the facts, and distorted the truth by personal abuse of revolutionary leaders. This betrayal of the first principles of hospitality by foreign publicists living in and off China and its trade, but safe from Chinese libel laws behind the walls of extraterritoriality, provoked the disgust of all classes of Chinese, and not a few clear-sighted Westerners.

The West, more especially Great Britain, does not know the immense harm done to its interests by this nagging and libel. It created a bitterness which turned the scales against foreigners, especially British, when incidents like the Nanking Road shooting, Wanh sien bombardment, Canton affair, which might have been settled by diplomacy, became signals for anti-foreign and anti-British boycotts and propaganda. The West was seldom told more than half the story—the results without the provocations—and remained convinced of Chinese “perversity.” Japan made excellent use of this half-news system in later years.

Attacks went so far that Mr. Lloyd George, when shown some of the papers, said he “wished it had been written in Russian, so that Englishmen wouldn’t get the blame.” British officials in China,

¹ *The Shanghai Sunday Times*, G. Burton Sayer, Editor, 21st April, 1929.

it should be said, disapproved of the campaign more than once. A member of the judicial branch referred to one offender as the "firebrand of the China Coast." Inasmuch as the editors, the papers, and the language were English, the Chinese had no option but to regard the statements as representative. Published locally day after day, the opinions expressed were, by proximity, magnified out of all proportion to their real value.

The saner, and, in view of what it was cabled every day, more understanding press of London might have had still more grasp of the situation were it not for the fact that the same local publicists were in most instances their "Own Correspondents." What the local press wrote, plus their interpretations and prophecies, appeared the next day at the Englishman's breakfast table. Fixed ideas, pet animosities, determination to prevent any changes that might undermine their pleasant life, coloured every cablegram and letter for two or three decades. Nine out of ten prophecies were proved hopelessly incorrect, but they managed by repetition and reiteration to create a totally false picture of the Chinese peoples' struggle for political and economic rights.

Visiting publicists seldom broke through this cordon and stupid censorship of every report on China, until the 1927 excitement, when journalists, drawn there by the prophecies of disaster which never came, gave Shanghai its first "bad press." Since then, thanks to independent writers, the world began to get closer to the truth. It should be said, in fairness to those local editor-correspondents, that there were griev-

ances, scores of them. Local quarrels, the regime of corrupt Warlords, the menaces of civil fighting, and labour troubles, provided daily provocations to anger, despair, retaliation. They were only human, and news value, being what it was, they may be forgiven for dilating upon the disagreeable and dramatic. The more responsible few tried to strike an historical balance. They tried to take the long view, but, again the human factor, they depended upon advertising revenue in the hands of vested interests more determined than they to uphold the *status quo*. All of them—editors and vested interests alike—were victims of the artificial, awkward, and anachronistic system.

Foreign-governed cities in a heatedly Nationalist country, and foreign-governed aliens, were intolerable enough when walled about in Concessions, but when these aliens, who could hardly take their system with them, as a snail carries its shell, wandered about the Chinese-governed interior out of their Consuls' jurisdiction, clashes, riots, and blood-letting were inevitable. It would be difficult for saints to avoid anger and recrimination in circumstances more appropriate to the cats of Kilkenny than to the peaceful pursuits of industry and commerce.

The Chinese Revolution centred for many years in one person, just as similar movements in the West have done. It dates from 1895, when Sun Yat-sen joined the Young China Party, and led a futile raid on the Manchu garrison at Canton. Sun was a Christian, and the son of a Chinese Christian preacher attached to the London Missionary Society. He was

educated for medicine by Dr. Kerr in Canton, and later was graduated from the Hong-Kong College of Medicine with a doctor's degree. His principal teacher there was Dr. McCantlie. Sun was educated, therefore, and befriended from birth, by British Christians. The fact is noteworthy when it was to develop later that his greatest enemies in China, apart from Manchus, were certain British journalists.

Sun began to practise in Macao, but resentment at Manchu mis-government soon got the better of him. The penalty for his raid on Canton was death, but he managed to evade capture. The Manchus sent Yamen runners, or secret police, after him. He travelled abroad preaching revolution to overseas Chinese. The Manchus put a price on his head, dead or alive, amounting to a hundred thousand pounds. Sun was always one jump ahead of the runners until he reached London, where they captured him on October 11, 1896, placed him in a coffin and held him prisoner in the Chinese Legation, pending repatriation. But he outwitted them. An Englishman, Mr. Cole, helped him smuggle a note out to his friend, Dr. McCantlie, who went straight to Lord Salisbury, the Prime Minister, and obtained Sun's release. When staying at the Savoy Hotel, Sun drafted a symbol of his principles, a round sun with a ring of twelve points like a conventional star, each point having a special significance. This was roughly sketched on a common, unromantic English post card, and became thirty years afterwards the emblem

and flag of the Chinese Nationalist Republic. London has sheltered many notable personalities—Erasmus, Marx, Litvinov and others—but Londoners have yet to appreciate the fact that they not only sheltered and liberated, but also, through their missionaries, educated a man who became the leader of China's millions.

Sun remained in exile until 1911. As far back as 1905, he had collected a few loyal followers in his League of Revolutionary Union. His sincerity, fearlessness, and deeply patriotic energy roused Chinese all over the world. They gave him funds, which he used to travel, preach, and distribute propaganda in China. Other secret societies helped him, especially the Elder Brothers. Many leading intellectuals actually living in China, including high officials, were also his followers. Some of them joined the Reform Movement started by Kang Yu-wei about the same time Sun began his more drastic revolt. This Reform party was crushed by the Empress Dowager in 1898. Kang escaped, but six important members were caught and beheaded.

The death of these men, "The Six Gentlemen," again recalls British influence in China's revolt. The story goes back to 1878, when the Manchus reluctantly sent their first Ambassador to the Court of St. James. The Dowager disliked the idea and consented only to send a commoner, Kuo Sung-tao, instead of a noble. The Manchus thus subtly insulted Great Britain, which to them was a land of unkempt barbarians. Kuo was an educated bureaucrat and a

